Stock Code:3592

Raydium Semiconductor Corporation and Subsidiaries

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2023 and 2022

Address: 2F, No. 23, Li-Hsin Rd., Hsinchu Science Park,
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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors
Raydium Semiconductor Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of Raydium Semiconductor Corporation and its subsidiaries as of September 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2023 and 2022, as well as the changes in equity and cash flows for the nine months ended September 30, 2023 and 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the 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 conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Raydium Semiconductor Corporation and its subsidiaries as of September 30, 2023 and 2022, and of its consolidated financial performance for the three months and nine months ended September 30, 2023 and 2022, as well as its consolidated cash flows for the nine months ended September 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Chien-Hui Lu and An-Chih Cheng.

KPMG

Taipei, Taiwan (Republic of China)
November 7, 2023

Notes to Readers

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Raydium Semiconductor Corporation and Subsidiaries

Consolidated Balance Sheets

September 30, 2023, December 31, 2022, and September 30, 2022

(Expressed in Thousands of New Taiwan Dollars)

		September 30, 2023		December 31, 2022		September 30, 2022	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (note 6(1))	$ 5,171,742	27	8,418,727	39	10,404,788	47
1110	Financial assets at fair value through profit or loss－current (note 6(2))	601,333	3	356,790	2	355,859	2
1120	Financial assets at fair value through other comprehensive income－current (note 6(2))	8,768	-	7,680	-	8,006	-
1170	Accounts receivable, net (note 6(3))	1,538,258	8	757,908	4	1,175,310	5
1180	Accounts receivable－related parties, net (note 6(3) and 7)	2,097,212	11	2,143,609	10	1,653,583	7
1210	Other receivables－related parties (note 7)	-	-	-	-	35,978	-
130X	Inventories (note 6(4))	2,179,546	11	3,705,911	17	4,356,351	19
1476	Other financial assets－current (notes 6(1), (3), (8), 8 and 9)	5,298,183	28	3,482,187	16	1,676,902	8
1479	Other current assets (note 6(9))	199,972	1	152,889	1	355,219	2
		17,095,014	89	19,025,701	89	20,021,996	90
	Non-current assets:						
1517	Financial assets at fair value through other comprehensive income－non-current (note 6(2))	431,729	2	528,008	2	456,555	2
1600	Property, plant and equipment (note 6(5))	285,679	2	337,912	2	359,194	2
1755	Right-of-use assets (note 6(6))	19,747	-	22,228	-	24,001	-
1780	Intangible assets (notes 6(7))	342,121	2	343,278	1	318,355	1
1840	Deferred tax assets	215,157	1	212,252	1	96,685	-
1980	Other financial assets－non-current (notes 6(8) and 9)	234,643	1	376,921	2	473,262	2
1990	Other non-current assets (note 6(9))	652,820	3	727,360	3	598,931	3
		2,181,896	11	2,547,959	11	2,326,983	10
	Total assets	**$ 19,276,910**	**100**	**21,573,660**	**100**	**22,348,979**	**100**

		September 30, 2023		December 31, 2022		September 30, 2022	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (note 6(10))	$ 589,360	3	32,115	-	32,976	-
2130	Contract liabilities－current (note 6(19))	340,790	2	316,351	1	287,240	1
2170	Accounts payable	2,605,185	14	1,429,818	7	2,143,194	10
2201	Salaries and bonuses payable	2,694,598	14	3,945,728	18	4,517,998	20
2220	Other payables－related parties (note 7)	7,956	-	135	-	39	-
2230	Current income tax liabilities	171,766	1	405,896	2	223,895	1
2250	Provision－current (notes 6(12))	49,029	-	55,529	-	-	-
2300	Other current liabilities (notes 6(11), (14) and 7)	954,127	4	1,015,501	5	1,091,114	5
		7,412,811	38	7,201,073	33	8,296,456	37
	Non-Current liabilities:						
2527	Contract liabilities－non-current (note 6(19))	160,063	1	364,405	2	427,008	2
2550	Provisions－non-current (note 6(12))	98,057	1	111,059	1	-	-
2570	Deferred tax liabilities	4,947	-	22,006	-	3,371	-
2580	Lease liabilities－non-current (note 6(11))	11,730	-	15,602	-	17,020	-
2640	Net defined benefit liability－non-current (note 6(13))	118	-	118	-	502	-
2645	Guarantee deposits received (notes 6(14) and 9)	807,050	4	921,960	4	1,114,645	5
		1,081,965	6	1,435,150	7	1,562,546	7
	Total liabilities	8,494,776	44	8,636,223	40	9,859,002	44
	Equity (notes 6(16) and (17))**:**						
3110	Common stock	758,552	4	758,552	4	758,552	3
3200	Capital surplus	4,712,933	24	4,712,933	22	4,712,715	21
3300	Retained earnings	5,356,603	28	7,436,498	34	7,041,850	32
3400	Other equity	(45,954)	-	29,454	-	(23,140)	-
	Total equity	10,782,134	56	12,937,437	60	12,489,977	56
	Total liabilities and equity	**$ 19,276,910**	**100**	**21,573,660**	**100**	**22,348,979**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Raydium Semiconductor Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

For the three months and nine months ended September 30, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		For the three months ended September 30,				For the nine months ended September 30,			
		2023		2022		2023		2022	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (notes 6(19) and 7)	$ 5,018,967	100	3,903,647	100	13,430,738	100	18,626,035	100
5000	Operating costs (notes 6(4), (21) and 12)	3,550,256	71	2,440,332	62	9,618,548	72	10,693,100	57
	Gross profit	1,468,711	29	1,463,315	38	3,812,190	28	7,932,935	43
	Operating expenses (notes 6(3), (21), 7 and 12)**:**								
6100	Selling expenses	123,158	2	150,026	4	334,778	2	677,845	4
6200	General and administrative expenses	109,174	2	100,603	2	301,273	2	470,165	2
6300	Research and development expenses	825,598	17	779,663	20	2,296,669	18	3,661,709	20
6450	Expected credit impairment (gains) losses	10,945	-	(15,261)	-	24,018	-	(16,242)	-
	Total operating expenses	1,068,875	21	1,015,031	26	2,956,738	22	4,793,477	26
	Operating income	399,836	8	448,284	12	855,452	6	3,139,458	17
	Non-operating income and expenses (notes 6(20) and 7)**:**								
7010	Other income	14,660	-	22,634	1	18,856	-	27,463	-
7020	Other gains and losses	86,679	2	165,128	4	116,228	1	832,167	5
7050	Finance costs	(1,499)	-	(187)	-	(3,698)	-	(428)	-
7100	Interest income	25,955	1	18,897	-	101,550	1	40,778	-
		125,795	3	206,472	5	232,936	2	899,980	5
	Income before income tax	525,631	11	654,756	17	1,088,388	8	4,039,438	22
7950	Less: Income tax expenses (note 6(15))	84,101	2	104,295	3	58,219	-	571,366	3
	Net income	441,530	9	550,461	14	1,030,169	8	3,468,072	19
8300	**Other comprehensive income (loss):**								
8310	**Items that will not be reclassified subsequently to profit or loss**								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(120,707)	(2)	(29,409)	(1)	(95,192)	(1)	(148,555)	(1)
8349	Less: Income tax related to items that will not be reclassified to profit or loss (note 6(15))	(6,114)	-	-	-	(19,929)	-	-	-
	Total item that will not be reclassified subsequently to profit or loss	(114,593)	(2)	(29,409)	(1)	(75,263)	(1)	(148,555)	(1)
8360	**Items that may be reclassified subsequently to profit or loss**								
8361	Exchange differences on translation of foreign operations	148	-	414	-	(180)	-	2,285	-
8399	Less: Income tax related to items that may be reclassified to profit or loss (note 6(15))	30	-	83	-	(35)	-	457	-
	Total items that may be reclassified subsequently to profit or loss	118	-	331	-	(145)	-	1,828	-
8300	**Other comprehensive income (loss), net of tax**	(114,475)	(2)	(29,078)	(1)	(75,408)	(1)	(146,727)	(1)
8500	**Total comprehensive income**	**$ 327,055**	**7**	**521,383**	**13**	**954,761**	**7**	**3,321,345**	**18**
	Earnings per share (New Taiwan Dollars) (note 6(18))								
9750	Basic earnings per share	**$ 5.82**		**7.28**		**13.58**		**46.10**	
9850	Diluted earnings per share	**$ 5.78**		**6.98**		**13.42**		**44.01**	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Raydium Semiconductor Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
For the nine months ended September 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Capital			Retained earnings				Other equity				
	Common stock	**Capital collected in advance**	**Capital surplus**	**Legal reserve**	**Special reserve**	**Unappropriated earnings**	**Subtotal**	**Exchange differences on translation of foreign operations**	**Unrealized gains (losses) on financial assets at fair value through other comprehensive income**	**Unearned employee compensation**	**Subtotal**	**Total equity**
Balance as of January 1, 2022	$ 669,368	410,564	853,315	1,031,235	10,616	5,945,412	6,987,263	(801)	124,388	(10,715)	112,872	9,033,382
Net income	-	-	-	-	-	3,468,072	3,468,072	-	-	-	-	3,468,072
Other comprehensive income (loss)	-	-	-	-	-	-	-	1,828	(148,555)	-	(146,727)	(146,727)
Total comprehensive income (loss)	-	-	-	-	-	3,468,072	3,468,072	1,828	(148,555)	-	(146,727)	3,321,345
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	-	429,102	-	(429,102)	-	-	-	-	-	-
Special reserve	-	-	-	-	(10,616)	10,616	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(3,413,485)	(3,413,485)	-	-	-	-	(3,413,485)
Capital increase	89,250	(410,564)	3,858,776	-	-	-	-	-	-	-	-	3,537,462
Share-based payments transaction	(66)	-	624	-	-	-	-	-	-	10,715	10,715	11,273
Balance as of September 30, 2022	**$ 758,552**	**-**	**4,712,715**	**1,460,337**	**-**	**5,581,513**	**7,041,850**	**1,027**	**(24,167)**	**-**	**(23,140)**	**12,489,977**
Balance as of January 1,2023	$ 758,552	-	4,712,933	1,460,337	-	5,976,161	7,436,498	508	28,946	-	29,454	12,937,437
Net income	-	-	-	-	-	1,030,169	1,030,169	-	-	-	-	1,030,169
Other comprehensive income (loss)	-	-	-	-	-	-	-	(145)	(75,263)	-	(75,408)	(75,408)
Total comprehensive income (loss)	-	-	-	-	-	1,030,169	1,030,169	(145)	(75,263)	-	(75,408)	954,761
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	-	386,272	-	(386,272)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(3,110,064)	(3,110,064)	-	-	-	-	(3,110,064)
Balance as of September 30, 2023	**$ 758,552**	**-**	**4,712,933**	**1,846,609**	**-**	**3,509,994**	**5,356,603**	**363**	**(46,317)**	**-**	**(45,954)**	**10,782,134**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Raydium Semiconductor Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the nine months ended September 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Cash flows from operating activities:		
Income before income tax	$ 1,088,388	4,039,438
Adjustments for:		
Depreciation	154,253	157,966
Amortization	121,633	118,143
Expected credit impairment (gains) losses	24,018	(16,242)
Net gains on financial assets and liabilities at fair value through profit or loss	(206)	(373)
Interest expense	3,698	428
Interest income	(101,550)	(40,778)
Dividend income	(12,176)	(17,900)
Compensation costs of share-based payments	-	11,273
Gains on disposal of property, plant and equipment	(680)	-
Inventory valuation and obsolescence (gains) losses	(23,270)	432,849
Other non-cash-related loss	182,860	110,378
Income and expense adjustments	348,580	755,744
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	(244,337)	(26,713)
Accounts receivable and other receivables (including related parties)	(757,971)	3,386,801
Inventories	1,549,635	(2,646,795)
Other financial assets	(406,081)	(507,785)
Other operation assets	(82,044)	(56,068)
Contract liabilities	(179,903)	81,541
Accounts payable and other payables (including related parties)	1,183,188	(1,399,183)
Other operating liabilities	(1,156,302)	1,287,302
Total changes in operating assets and liabilities	(93,815)	119,100
Total adjustments	254,765	874,844
Cash flow generated from operations	1,343,153	4,914,282
Interests received	100,262	39,096
Dividends received	12,176	17,900
Interests paid	(3,294)	(403)
Income taxes paid	(292,349)	(1,013,897)
Net cash provided by operating activities	1,159,948	3,956,978
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(238,133)
Acquisition of property, plant and equipment	(108,657)	(38,190)
Proceeds from disposal of property, plant and equipment	762	-
Increase in intangible assets	(118,347)	(93,291)
(Increase) decrease in other non-current assets	109,502	(105,342)
Increase in other financial assets	(1,421,574)	(2,770)
Net cash used in investing activities	(1,538,314)	(477,726)
Cash flows from financing activities:		
Increase in short term borrowings	551,910	32,976
Decrease in guarantee deposits received	(304,872)	(111,303)
Repayments of the principal portion of lease liabilities	(5,302)	(5,034)
Cash dividends paid	(3,110,064)	(3,413,485)
Proceeds from capital increase	-	3,537,462
Net cash provided (used in) by financing activities	(2,868,328)	40,616
Effect of exchange rate changes on cash and cash equivalents	(291)	1,934
Net increase (decrease) in cash and cash equivalents	(3,246,985)	3,521,802
Cash and cash equivalents at beginning of the period	8,418,727	6,882,986
Cash and cash equivalents at end of the period	$ **5,171,742**	**10,404,788**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Raydium Semiconductor Corporation and Subsidiaries

Notes to the Consolidated Financial Statements

For the nine months ended September 30, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, unless otherwise indicated)

1. Company History:

Raydium Semiconductor Corporation (the "Company") was organized and approved under the ROC Company Act on October 23, 2003. The Company was formally relocated to Hsinchu Science and Industry Park on January 29, 2007 after being approved by Hsinchu Science Park Bureau on December 12, 2006. Its current registered address is 2F, No.23, Li Hsin Rd., Hsinchu Science Park, Hsinchu City 300, Taiwan, R.O.C. The Company merged with Dazzo Technology Corporation (hereinafter referred to as Dazzo) on April 1, 2019 (the merger date). Thereafter, the Company became the sole surviving entity. The principal activities of the Company and its subsidiaries (hereinafter referred to as the Group) are the development, design and sale of display driver, sequential control and power management integrated circuit products.

The Company's shares were listed on Taiwan Stock Exchange on January 7, 2022.

2. Date and Procedures of Authorization of Financial Statements for Issue:

The consolidated financial statements were authorized for issue by the Board of Directors on November 7, 2023.

3. Application of Newly Issued or Revised Standards and Interpretations:

(1) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. (FSC) which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 "International Tax Reform – Pillar Two Model Rules"

(2) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

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

The Group does not expect the following new and amended standards, which have not yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS 21 “Lack of Exchangeability”

4. Summary of Significant Accounting Policies:

(1) Statement of compliance

The consolidated financial statements have been prepared in accordance with the “ Regulations Governing the Preparation of Financial Reports by Securities Issuers” (hereinafter referred to as the Regulations) and the guidelines of IAS 34, Interim Financial Reporting (hereinafter referred to as “ IAS 34”) which are endorsed by the FSC, and do not include all of the information required by the IFRSs endorsed by the FSC for a complete set of the annual consolidated financial statements.

Except as described in the following paragraph, the Group's significant accounting policies are applied consistently for the consolidated financial statements for the year ended December 31, 2022. For related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2022.

(2) Basis of consolidation

The principle of preparation of the consolidated financial statements is consistent with those of the consolidated financial statements for the year ended December 31, 2022. For related information, please refer to note 4(3) of the consolidated financial statements for the year ended December 31, 2022.

A. List of subsidiaries in the consolidated financial statements

The list of subsidiaries is included in the consolidated financial statements :

			Percentage of ownership		
Name of investor	**Name of Subsidiary**	**Principal activity**	**September 30, 2023**	**December 31, 2022**	**September 30, 2022**
the Company	Raydium Semiconductor (SAMOA) Corp.(RSA)	Investment holding company	100.00 %	100.00 %	100.00 %
RSA	Raydium Semiconductor (Kunshan) Co., Ltd	Development, design and sale of the IC	100.00 %	100.00 %	100.00 %

B. List of subsidiaries which are not included in consolidated financial statements: None.

(3) Employee benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the reporting date of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(4) Income taxes

Income tax expense in the financial statements is measured and disclosed in according to paragraph B12 of IAS 34 endorsed by the FSC.

Income tax expense for the period is best estimated by multiplying pretax income for the reporting period by the effective annual tax rate as forecasted by the management. This is recognized fully as income tax expense for the current period.

Income taxes that are recognized directly in equity or other comprehensive income are measured in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases at the tax rates that are expected to be applied in the year in which the asset is realized or the liability is settled.

5. Significant Accounting Judgments, and Major Sources of Estimation and Assumptions Uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34, Interim Financial Reporting, as endorsed and issued into effect by the FSC requires management to make judgment, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing the consolidated financial statements, critical accounting judgments and key sources of estimations and assumptions uncertainty used by management in the application of accounting policies are consistent with those described in Note 5 of the consolidated financial statements for the year ended December 31, 2022.

6. Explanation of significant accounts

(1) Cash and cash equivalents

	September 30, 2023	December 31, 2022	September 30, 2022
Demand deposits	$ 1,377,692	1,224,677	2,010,738
Time deposits	3,794,050	7,194,050	8,394,050
	$ 5,171,742	**8,418,727**	**10,404,788**

Please refer to note 6(22) for the credit risk, interest rate risk and sensitivity analysis of the financial assets of the Group.

As of September 30, 2023, December 31, 2022 and September 30, 2022, the time deposits with original maturities of more than three months amounted to $3,500,000 thousand, $2,000,000 thousand and $100,000 thousand, respectively, which were classified as other financial assets-current; please refer to note 6(8).

(2) Financial assets at fair value

A. Financial assets at fair value through profit or loss－current

	September 30, 2023	December 31, 2022	September 30, 2022
Financial assets at fair value through profit or loss, mandatorily measured at fair value			
Beneficiary certificate	**$ 601,333**	**356,790**	**355,859**

B. Financial assets at fair value through other comprehensive income－current

	September 30, 2023	December 31, 2022	September 30, 2022
Listed stocks	**$ 8,768**	**7,680**	**8,006**

C. Financial assets at fair value through other comprehensive income－non-current

	September 30, 2023	December 31, 2022	September 30, 2022
Listed stocks	$ 285,062	263,692	270,338
Unlisted stocks	146,667	264,316	186,217
	$ 431,729	**528,008**	**456,555**

These investments in equity instruments are not held for trading, and therefore, are accounted for as FVOCI.

For the disclosure of market risk, please refer to Note 6(22).

The financial assets mentioned above were not pledged as collateral.

(3) Accounts receivable, net (including related parties)

	September 30, 2023	December 31, 2022	September 30, 2022
Accounts receivable—measured at amortized cost	$ 3,517,666	2,737,683	2,786,114
Accounts receivable measured at fair value through other comprehensive income	173,537	195,549	50,361
Less: loss allowance	(55,733)	(31,715)	(7,582)
	$ 3,635,470	**2,901,517**	**2,828,893**

The Group has assessed a portion of its trade receivables that was held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; therefore, such trade receivables were measured at fair value through other comprehensive income.

The Group use a simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivable. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information.

The accounts receivable from related parties having significant impact over the Group and other individuals amounted to $2,097,212 thousand, $2,143,609 thousand and $1,653,583 thousand as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively. The days past due is less than 60 days, so there is no expected credit loss for the duration of the related party's accounts receivable.

The loss allowance provision of customers with relatively low credit risk was determined as follows:

	September 30, 2023		
	Carrying amounts of accounts receivable	Weighted-average loss rate	Loss allowance for life time expected credit losses
Not past due	$ 920,433	0%	-
Past due less than 30 days	5,309	0%	-
	$ 925,742		-

	December 31, 2022		
	Carrying amounts of accounts receivable	Weighted-average loss rate	Loss allowance for life time expected credit losses
Not past due	$ 348,489	0%	-
Past due less than 30 days	729	0%	-
Past due 31~60 days	2,034	0%	-
	$ 351,252		**-**

	September 30, 2022		
	Carrying amounts of accounts receivable	Weighted-average loss rate	Loss allowance for life time expected credit losses
Not past due	$ 629,257	0%	-
Past due less than 30 days	1,300	0%	-
Past due 31~60 days	511	0%	-
	$ 631,068		**-**

The loss allowance provision of customers with relatively high credit risk was determined as follows:

	September 30, 2023		
	Carrying amounts of accounts receivable	Weighted-average loss rate	Loss allowance for life time expected credit losses
Not past due	$ 656,578	7.95%	52,168
Past due less than 30 days	11,564	29.90%	3,458
Past due over 91 days	107	100%	107
	$ 668,249		**55,733**

	December 31, 2022		
	Carrying amounts of accounts receivable	Weighted-average loss rate	Loss allowance for life time expected credit losses
Not past due	$ 435,207	7.07%	30,748
Past due less than 30 days	3,085	29.90%	922
Past due 31~60 days	80	56.20%	45
	$ 438,372		**31,715**

	September 30, 2022		
	Carrying amounts of accounts receivable	**Weighted-average loss rate**	**Loss allowance for life time expected credit losses**
Not past due	$ 526,273	0.81%	4,289
Past due less than 30 days	7,872	7.90%	622
Past due 31~60 days	17,679	15.11%	2,671
	$ 551,824		**7,582**

The movement in the allowance for accounts receivables was as follows:

	For the nine months ended September 30,	
	2023	**2022**
Beginning balance	$ 31,715	23,824
Recognition of Impairment loss	24,018	(16,242)
Ending balance	**$ 55,733**	**7,582**

The Group entered into an agreement with banks to factor certain of its accounts receivable. According to the agreement, within the factoring line, the Group does not have to ensure the ability of debtors to pay when transferring the rights and obligations. As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group transfer the trade receivables that met the derecognition terms to other receivables (recorded in other financial asset－current) as follows:

(In Thousands of New Taiwan Dollars)

September 30, 2023

Buyer	**Factoring quota**	**Derecognition amount**	**Advanced Amount**	**Service fees**	**Transfer terms**	**Guaranteed promissory notes**
Taipei Fubon Bank	**USD 145,000**	**USD 47,641**	-	**0.23%**	Notes 1 to 3	None

December 31, 2022

Buyer	**Factoring quota**	**Derecognition amount**	**Advanced Amount**	**Service fees**	**Transfer terms**	**Guaranteed promissory notes**
Taipei Fubon Bank	**USD 139,000**	**USD 36,830**	-	**0.23%**	Notes 1 to 3	None

September 30, 2022

Buyer	**Factoring quota**	**Derecognition amount**	**Advanced Amount**	**Service fees**	**Transfer terms**	**Guaranteed promissory notes**
Taipei Fubon Bank	**USD 139,000**	**USD 37,055**	**-**	**0.23%**	Notes 1 to 3	None

Note 1: The above-mentioned amounts have been transferred to other receivables. The terms of the transaction relating to factoring are based on the factoring consent for buyer. Such transaction should be factoring without recourse.

Note 2: Within the factoring quota, if the original debtor is unable to pay or may be unable to pay due to financial difficulties, the risk of non-payment will be borne by the purchasing agency, not the Group. The original debtor's credit risk will be borne by the purchasing agency and the credit risk described above is the uncollectable debt risk due to default by the original debtor without reasonable cause.

Note 3: The Group informed the original debtor pursuant to account receivables to make payment directly to the Group's restricted account with the purchasing bank.

As of September 30, 2023, December 31, 2022 and September 30, 2022, total outstanding receivables after the above transactions, net of fees charged by purchasing bank, of $1,537,940 thousand, $1,131,859 thousand and $1,180,089 thousand were recognized as other current financial assets; please refer to note 6(8).

As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group's unused factoring quota amounted to $3,142,950 thousand, $3,139,889 thousand and $3,246,644 thousand, respectively.

(4) Inventories

	September 30, 2023	December 31, 2022	September 30, 2022
Work in progress	$ 1,872,831	3,331,377	3,907,985
Finished goods	306,715	374,534	448,366
	$ 2,179,546	**3,705,911**	**4,356,351**

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Cost of goods sold	$ 3,472,430	2,324,721	$ 9,641,818	10,260,251
Inventory valuation and obsolescence losses(gain)	77,826	115,611	(23,270)	432,849
	$ 3,550,256	**2,440,332**	**$ 9,618,548**	**10,693,100**

As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group's inventories were not pledged as collateral.

(5) Property, plant and equipment

	Research equipment	Transportation equipment	Office equipment	Leasehold improvements	Equipment under inspection	Total
Carrying amounts:						
Balance as of January 1, 2023	**$ 278,561**	**6,201**	**37,731**	**6,319**	**9,100**	**337,912**
Balance as of September 30, 2023	**$ 208,151**	**4,754**	**56,355**	**15,638**	**781**	**285,679**
Balance as of January 1, 2022	**$ 398,841**	**3,464**	**37,938**	**3,117**	**733**	**444,093**
Balance as of September 30, 2022	**$ 296,891**	**2,538**	**32,467**	**3,727**	**23,571**	**359,194**

There was no significant addition or disposal on real estate, plant and equipment of the Group for the nine months ended September 30, 2023 and 2022. For the depreciation amount in the current period, please refer to note 12. For other related information, please refer to note 6(5) of the consolidated financial statements for the year ended December 31, 2022.

As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group's property, plant and equipment were not pledged as collateral.

(6) Right-of-use assets

		Buildings
Carrying amounts:		
Balance as of January 1, 2023	$	**22,228**
Balance as of September 30, 2023	$	**19,747**
Balance as of January 1, 2022	$	**10,182**
Balance as of September 30, 2022	$	**24,001**

There was no significant addition, recognition and reversal of impairment losses of the right-of-use assets recognized by the Group's leased houses and buildings for the nine months ended September 30, 2023 and 2022. For other related information, please refer to note 6(6) of the consolidated financial statements for the year ended December 31, 2022.

(7) Intangible assets

		Goodwill	Patents and technology	Software costs	Total
Carrying amounts:					
Balance as of January 1, 2023	$	**237,800**	**4,621**	**100,857**	**343,278**
Balance as of September 30, 2023	$	**237,800**	**-**	**104,321**	**342,121**
Balance as of January 1, 2022	$	**237,800**	**23,108**	**74,920**	**335,828**
Balance as of September 30, 2022	$	**237,800**	**9,243**	**71,312**	**318,355**

There was no significant addition or disposal on intangible assets of the Group for the nine months ended September 30, 2023 and 2022. For the amortization amount in the current period, please refer to note 12. For other related information, please refer to note 6(7) of the consolidated financial statements for the year ended December 31, 2022

(8) Other financial assets－current and non-current

	September 30, 2023	December 31, 2022	September 30, 2022
Accounts receivable factoring	$ 1,537,940	1,131,859	1,180,089
Restricted time deposits	254,508	254,459	254,453
Guaranty paid for product capacity and other	235,970	469,668	613,755
The time deposits with original maturities of more than three months	3,500,000	2,000,000	100,000
Others	4,408	3,122	1,867
	$ 5,532,826	**3,859,108**	**2,150,164**
Other financial assets－current	$ 5,298,183	3,482,187	1,676,902
Other financial assets－non-current	234,643	376,921	473,262
	$ 5,532,826	**3,859,108**	**2,150,164**

The Group entered into capital guarantee contracts with several suppliers and paid deposits as agreed. Considering the future market demand and corresponding to production capacity adjustment, the Group recognized the losses recorded in operating costs.

(9) Other current and non-current assets

	September 30, 2023	December 31, 2022	September 30, 2022
Prepayments to suppliers	$ 419,550	419,550	419,550
Business tax receivable and carry forward of VAT	172,114	97,121	195,383
Prepayments for mask and mold	231,868	342,772	314,191
Others	29,260	20,806	25,026
	$ 852,792	**880,249**	**954,150**
Other current assets	$ 199,972	152,889	355,219
Other non-current assets	652,820	727,360	598,931
	$ 852,792	**880,249**	**954,150**

(10) Short-term borrowings

The short-term borrowings and unused credit lines were summarized as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Unsecured bank loans	**$ 589,360**	**32,115**	**32,976**
Unused credit lines	**$ 1,231,224**	**1,447,222**	**1,647,799**
Range of interest rates	**3.40%~6.24%**	**3.65%~4.42%**	**3.70%~4.40%**

As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group's bank borrowings were not pledged as collateral.

(11) Lease liabilities

The carrying amounts of the Group's lease liabilities were as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Current (recorded in other current liabilities)	$ 7,040	5,884	6,204
Non-current	11,730	15,602	17,020
	$ 18,770	**21,486**	**23,224**

For the maturity analysis, please refer to note 6(22) Financial Instruments.

The amounts recognized in profit or loss were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
Interest on lease liabilities	**$ 118**	**162**	**379**	**403**
Expenses relating to short-term leases	**$ 8,736**	**8,288**	**26,348**	**24,293**

The amounts recognized in the statement of cash flows were as follows:

	For the nine months ended September 30,	
	2023	**2022**
Total cash outflow for leases	**$ 32,029**	**29,730**

Buildings leases

The Group leases buildings and improvements for its office, with lease terms that typically run for 2~5 years, and some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

The Group has elected not to recognize the right-of-use assets and lease liabilities for its offices, which qualify as short-term leases and low-value asset leases.

(12) Provisions

		After-sales service
Balance as of January 1, 2023	$	166,588
Provisions reverse during the period, net		(19,502)
Balance as of September 30, 2023	**$**	**147,086**
Provisions – current	$	49,029
Provisions – non-current		98,057
	$	**147,086**

The provision for after-sales service is estimated based on historical warranty data associated with similar products and services. The Group expects to settle majority of its liabilities within three years from the date of the sale of the product.

(13) Employee benefits

Given there was no significant market fluctuations, significant curtailments, settlements, or other significant one-off event since the prior fiscal year, pension cost in the financial statements are measured and disclosed according to the actuarial results determined on December 31, 2022 and 2021.

For information related to the Group's pension costs for the nine months ended September 30, 2023 and 2022, please refer to note 12.

(14) Guarantee deposits

		September 30, 2023	December 31, 2022	September 30, 2022
Capacity guaranty	**$**	**1,129,870**	**1,412,443**	**1,463,688**
Current (classified under other current liabilities)	$	322,820	490,483	349,043
Non-current		807,050	921,960	1,114,645
	$	**1,129,870**	**1,412,443**	**1,463,688**

The Group entered into production capacity guarantee agreement with its customers and reserved specific production capacity to such customers by collecting deposits, which would be refunded upon the fulfillment of the contract.

(15) Income tax

A. Income tax expenses

The amounts of income tax expense(benefit) were as follows:

		For the three months ended September 30,		For the nine months ended September 30,	
		2023	**2022**	**2023**	**2022**
Current income tax expense (benefit)					
Current period	$	84,101	104,761	174,142	646,310
Adjustment for prior period		-	(466)	(115,923)	(74,944)
	$	**84,101**	**104,295**	**58,219**	**571,366**

B. The amounts of income tax expense (benefit) recognized in other comprehensive income were as follows:

		For the three months ended September 30,		For the nine months ended September 30,	
		2023	**2022**	**2023**	**2022**
Items that will not be reclassified subsequently to profit or loss:					
Unrealized gains or losses from investments in equity instruments measured at FVOCI	**$**	**(6,114)**	**-**	**(19,929)**	**-**
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	**$**	**30**	**83**	**(35)**	**457**

C. The Company's tax returns have been examined and approved by the tax authorities through 2021.

(16) Equity

Except as for the following, there were no significant changes in the capital and other equity of the Group for the nine months ended September 30, 2023 and 2022. For relevant information, please refer to note 6(16) of the Company's consolidated financial statements for the year ended December 31, 2022.

A. Common stock

As of September 30, 2023, December 31, 2022 and September 30, 2022, the authorized capital of the Company amounted to $1,000,000 thousand (including the amount of $50,000 thousand authorized for the issuance of the employee stock options), the Company's issued capital amounted to $758,552 thousand, respectively, with a par value of $10 (dollars) per share.

B. Capital surplus

		September 30, 2023	December 31, 2022	September 30, 2022
Capital surplus-premium	$	4,647,881	4,647,881	4,647,881
Employee bonus to capital increase		64,592	64,592	64,592
Others		460	460	242
	$	**4,712,933**	**4,712,933**	**4,712,715**

C. Retained earnings

If the Company makes a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, and setting aside 10% of the remaining profit as legal reserve, unless the amount in the legal reserve is already equal to or greater than the total paid in capital. Thereafter, the amount shall be set aside or reversed as special reserve in accordance with related laws, regulations, or provisions of the competent authorities. Then, any remaining profit, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors. The distribution of dividends and bonuses, in whole or in part, by issuing new shares, shall be resolved during the shareholders' general meeting. As for the cash payment, it shall be approved by the Board of Directors and be reported in the shareholders' general meeting.

The Company's dividend policy is to pay dividends from surplus considering factors such as the Company's current and future investment environment, cash requirements, domestic and overseas competitive conditions and capital budget requirements, while taking into account shareholders' interest, maintenance of balanced dividend and the Company's long-term financial plan. An annual dividend of not less than 10 percent of the distributable surplus is provided for the shareholders, wherein the cash portion of the dividend, which may be in the form of cash and stock, shall not be less than 10% of the total dividend distributed during the year.

The appropriations of earnings for 2022 and 2021 by way of cash dividends have been approved in the Board of Directors' meeting held on February 23, 2023 and February 24, 2022. In addition, the appropriations of earning for 2022 and 2021 by others ways have been approved in the annual shareholders' meeting held on May 29, 2023 and May 30, 2022, respectively. Details of distribution were as follows:

	2022		2021	
	Amounts	Dividends per share (NT$)	Amounts	Dividends per share (NT$)
Legal reserve	$ 386,272		$ 429,102	
Special reserve	-		(10,616)	
Cash dividends	3,110,064	41	3,413,485	45
	$ 3,496,336		**$ 3,831,971**	

The aforementioned appropriations of earnings were consistent with the resolutions of the Board of Directors' meeting.

The abovementioned relevant information about the company's appropriations of earnings are available at the Market Observation Post System website.

(17) Share-based payment

Except as described in the following paragraph, there were no significant changes in the Group's share-based payment for the nine months ended September 30, 2022. For related information about the share-based payment, please refer to note 6(17) of the consolidated financial statements for the year ended December 31, 2022.

The expense recognized by the Group for share-based payments for the three months ended September 30, 2022 and the nine months ended September 30, 2022 were $2,393 thousand and $11,273 thousand, respectively. As of September 30, 2022, the deferred compensation cost was $0 thousand.

(18) Earnings per share

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Basic earnings per share:				
Net income attributable to ordinary shareholders of Company	**$ 441,530**	**550,461**	**1,030,169**	**3,468,072**
Weighted-average number of ordinary shares outstanding during the year (in thousands of shares)	**75,855**	**75,634**	**75,855**	**75,230**
Basic earnings per share (NT dollars)	**$ 5.82**	**7.28**	**13.58**	**46.10**

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Diluted earnings per share:				
Net income attributable to ordinary shareholders of Company	$ **441,530**	**550,461**	**1,030,169**	**3,468,072**
Weighted-average number of ordinary shares outstanding during the year (in thousands of shares)	75,855	75,634	75,855	75,230
Effect of employee stock remuneration	537	3,264	910	3,567
Weighted average number of ordinary shares outstanding (in thousands of shares)(diluted)	**76,392**	**78,898**	**76,765**	**78,797**
Diluted earnings per share (NT dollars)	$ **5.78**	**6.98**	**13.42**	**44.01**

(19) Revenue from contracts with customers

A. Detail of revenue

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Revenues from major regional markets:				
China (include Hong Kong)	$ 3,347,097	2,297,550	9,132,286	12,182,343
Taiwan	1,532,896	1,562,810	3,975,174	6,329,618
Others	138,974	43,287	323,278	114,074
	$ **5,018,967**	**3,903,647**	**13,430,738**	**18,626,035**
Revenue from major products:				
Display Driver IC	4,859,992	3,782,582	12,956,309	18,049,998
Others	158,975	121,065	474,429	576,037
	$ **5,018,967**	**3,903,647**	**13,430,738**	**18,626,035**

B. Contract balances

	September 30, 2023	December 31, 2022	September 30, 2022
Contract liabilities	$ **500,853**	**680,756**	**714,248**

For details on notes and accounts receivable and loss allowance, please refer to note 6(3).

The amount of revenue recognized for the nine months ended September 30, 2023 and 2022 that were included in the contract liability balance at the beginning of the period were $222,724 thousand and $159,467 thousand, respectively.

The contract liabilities primarily relate to the advance consideration received from contracts with goods sold, for which revenue is recognized when products are delivered to customers.

(20) Non-operating income and expenses

A. Other income

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Dividend income	$ 12,176	17,900	12,176	17,900
Others	2,484	4,734	6,680	9,563
	$ 14,660	**22,634**	**18,856**	**27,463**

B. Other gains and losses

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Foreign exchange gains, net	$ 84,420	163,828	111,004	830,081
Others	2,259	1,300	5,224	2,086
	$ 86,679	**165,128**	**116,228**	**832,167**

C. Finance costs

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Interest expense－bank borrowings	$ (1,381)	(25)	(3,319)	(25)
Interest expense of lease liability	(118)	(162)	(379)	(403)
	$ (1,499)	**(187)**	**(3,698)**	**(428)**

D. Interest income

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Interest income from bank deposits	**$ 25,955**	**18,897**	**101,550**	**40,778**

(21) Remuneration to employees and directors

In accordance with the articles of incorporation, when the Company incurred profit for the year, the profit should first be used to offset against any deficit (including unappropriated retained earnings); then, no less than 1% of the profit (income before tax, excluding remuneration to employees and directors) shall be distributed as employee remuneration, and no more than 1% as directors' and supervisors' remuneration.

The aforementioned shall be resolved by the board of directors and reported to the shareholders' meeting:

Employees, including those belonging to affiliate companies that meet certain conditions, are entitled to the abovementioned remuneration, which to be distributed in stock or cash, employee stock option certificates, restricted employee shares, treasury stock purchased and transferred to employees, as well as employee stocks when issuing new shares. The said conditions and distribution method are decided by Board of Directors or the personnel authorized by Board of Directors.

For the three months and the nine months ended September 30, 2023 and 2022, the amounts of remuneration to employees were estimated at $92,048 thousand, $114,814 thousand, $190,693 thousand and $708,337 thousand, respectively; and those of the directors were estimated at $4,265 thousand, $6,207 thousand, $9,384 thousand and $38,289 thousand, respectively. The estimation basis shall be calculated as the amounts of net income before tax, excluding the remuneration to employees and directors, multiplied by the percentage remuneration to employees and directors, as specified in the Company's articles of incorporation. These remuneration were expensed under operating costs or expenses for the nine months ended September 30, 2023 and 2022. If there are changes in the proposed amounts after the annual consolidated financial statements have been authorized for issuance, the differences are accounted for as changes in accounting estimates and adjusted prospectively in profit or loss in the following year. However, if the Board of Directors resolved that the employee remuneration is to be distributed through stock dividends, the closing price of the ordinary share on the day before the Board of Directors' meeting will be used to calculate the stock remuneration.

The Board of Directors of the Company has resolved to distribute employee remuneration and director remuneration in cash as follows:

	For the years ended December 31,	
	2022	**2021**
Board resolution date	February 23, 2023	February 24, 2022
Employee compensation	**$ 789,985**	**892,707**
Director remuneration	**$ 42,702**	**48,254**

There is no difference between the aforementioned approved amounts and the amounts charged against earnings of 2022 and 2021, respectively. Related information is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(22) Financial instruments

Except as described below, there is no significant change in the fair value of the Group's financial instruments and the Group's exposure to credit risk, liquidity risk and market risk due to financial instruments. For relevant information, please refer to Note 6 (22) of the financial statements for the year ended December 31, 2022.

A. Credit risk

(a) Credit risk exposure

The carrying amount of financial assets represent the maximum amounts exposed to credit risk.

(b) Credit risk concentration

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. As of the financial reporting date, the maximum credit risk exposure of the Group due to non-performance of the counterparty mainly derived from the carrying amount of the financial assets recognized in the balance sheet of the Group.

The Group's potential credit risk is derived primarily from cash in bank, cash equivalents and trade receivables. The cash is deposited in different financial institutions. The Group manages the credit risk exposure with each of these financial institutions and believes that cash and cash equivalents do not have a significant credit risk concentration.

In addition to granting credit facilities to customers in accordance with the credit procedures, the Group will require insurance for accounts receivable from certain customer groups in order to reducing the credit risk of accounts receivable, and use historical trading experience to continuously assess the financial condition, credit condition and current economic environment of the customers.

As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group's five largest customers accounted for approximately 65%, 73% and 66% of the balance of accounts receivable (including related parties), respectively. After an assessment has been made on the lifetime expected credit losses of the accounts receivable, the management expects no significant losses in the future.

(c) Credit risk of receivables

For credit risk exposure on accounts receivable, please refer to note 6(3).

Other financial assets at amortized cost include other receivables, guarantee deposit and restricted bank deposits.

All of financial assets excluding the abovementioned accounts receivable are considered to be low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. (Please refer to Note 4(7) of the financial statements for the year ended December 31, 2022 for further details of how the Group determines whether credit risk is to be low risk).

B. Liquidity risk

The contractual maturities of financial liabilities were as follows:

	Carrying amounts	Contractual cash flows	Within a year	Over 1 years
September 30, 2023				
Non-derivative financial liabilities				
Short-term borrowings	$ 589,360	(593,772)	(593,772)	-
Accounts payable	2,605,185	(2,605,185)	(2,605,185)	-
Salaries and bonuses payable	2,694,598	(2,694,598)	(2,694,598)	-
Other payables－related parties	7,956	(7,956)	(7,956)	-
Lease liabilities (current and non-current)	18,770	(19,443)	(7,415)	(12,028)
Guarantee deposits received (current and non-current)	1,129,870	(1,129,870)	(322,820)	(807,050)
	$ 7,045,739	**(7,050,824)**	**(6,231,746)**	**(819,078)**
December 31, 2022				
Non-derivative financial liabilities				
Short-term borrowings	$ 32,115	(32,912)	(32,912)	-
Accounts payable	1,429,818	(1,429,818)	(1,429,818)	-
Salaries and bonuses payable	3,945,728	(3,945,728)	(3,945,728)	-
Other payables－related parties	135	(135)	(135)	-
Lease liabilities (current and non-current)	21,486	(22,452)	(6,355)	(16,097)
Guarantee deposits received (current and non-current)	1,412,443	(1,412,443)	(490,483)	(921,960)
	$ 6,841,725	**(6,843,488)**	**(5,905,431)**	**(938,057)**

		Carrying amounts	contractual cash flows	Within a year	Over 1 years
September 30, 2022					
Non-derivative financial liabilities					
Short-term borrowings	$	32,976	(33,951)	(33,951)	-
Accounts payable		2,143,194	(2,143,194)	(2,143,194)	-
Salaries and bonuses payable		4,517,998	(4,517,998)	(4,517,998)	-
Other payables－related parties		39	(39)	(39)	-
Lease liabilities (current and non-current)		23,224	(24,344)	(6,729)	(17,615)
Guarantee deposits received (current and non-current)		1,463,688	(1,463,688)	(349,043)	(1,114,645)
	$	**8,181,119**	**(8,183,214)**	**(7,050,954)**	**(1,132,260)**

The Group does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

C. Foreign currency risk

(a) Exposure of foreign currency risk

The Group's financial assets and liabilities exposed to foreign currency risk were as follows:

		September 30, 2023			December 31, 2022			September 30, 2022		
		Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets										
Monetary items										
USD	$	187,944	32.282	6,067,208	165,062	30.732	5,072,685	194,354	31.847	6,189,592
JPY		24,856	0.2159	5,366	25,256	0.2311	5,837	26,503	0.2205	5,844
CNY		1,050	4.4117	4,632	1,629	4.4076	7,180	1,728	4.4875	7,754
Financial liabilities										
Monetary items										
USD	$	129,385	32.282	4,176,807	96,687	30.732	2,971,385	121,987	31.847	3,884,920
JPY		-	0.2159	-	-	0.2311	-	23,816	0.2205	5,251
CNY		6	4.4117	26	84	4.4076	370	43	4.4875	193

(b) Sensitivity analysis

The Group's exposure to foreign currency risk arises mainly from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivable, other financial assets, short-term borrowings, accounts payable and deposits received, that are denominated in foreign currency. A strengthening (weakening) of 1% of the NTD against the USD, CNY, and JPY as of September 30, 2023 and September 30, 2022, assuming that all other variables remain constant, would have increased or decreased the profit after tax by $15,203 thousand and $18,503 thousand, respectively.

(c) Foreign exchange gains (losses) on monetary items

As the Group deals with diverse foreign currencies, gains and losses on foreign exchange were summarized as a single amount. The aggregate of realized and unrealized foreign exchange gains for the three months and the nine months ended September 30, 2023 and 2022 were $84,420 thousand, $163,828 thousand, $111,004 thousand and $830,081 thousand, respectively.

D. interest rate analysis

An increase or decrease of 0.25% in interest rates, mainly from cash and cash equivalents, restricted bank deposits and short term borrowings, with floating interest rates at the reporting date, assuming all other variables remain constant, would have increased or decreased net income by $2,280 thousand and $8,618 thousand for the nine months ended September 30, 2023 and 2022, respectively.

E. Other market price risk

The impact of the changes in equity price on other comprehensive income was as follows, assuming the analysis use the same basis for both years, with other factors remaining constant:

	For the nine months ended September 30,	
	2023	**2022**
Prices of securities at the reporting date	**Other comprehensive income before tax**	**Other comprehensive income before tax**
Increasing 10%	**$ 44,050**	**46,456**
Decreasing 10%	**$ (44,050)**	**(46,456)**

F. Fair value of financial instruments

(a) Fair value and carrying amount

The fair value of financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The Group's carrying amounts and the fair value of financial assets and liabilities (including the information for fair value hierarchy; but excluding financial instruments, whose fair values approximate the carrying amount, and lease liabilities, since the disclosure of fair value are not required) were as follows:

		September 30, 2023			
	Carrying amounts	**Fair value**			
		Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at FVTPL－current	$ 601,333	601,333	-	-	601,333
Financial assets at FVOCI					
Listed stocks	293,830	293,830	-	-	293,830
Unlisted stocks	146,667	-	-	146,667	146,667
Accounts receivable	173,537	-	173,537	-	173,537
Financial assets measured at amortized cost					
Cash and cash equivalents	5,171,742	-	-	-	-
Accounts receivable (including related parties)	3,461,933	-	-	-	-
Other financial assets (current and non-current)	5,532,826	-	-	-	-
	$ 15,381,868	**895,163**	**173,537**	**146,667**	**1,215,367**
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 589,360	-	-	-	-
Accounts payable	2,605,185	-	-	-	-
Salaries and bonuses payable	2,694,598	-	-	-	-
Other payables－related parties	7,956	-	-	-	-
Lease liabilities (current and non-current)	18,770	-	-	-	-
Guarantee deposits received (current and non-current)	1,129,870	-	-	-	-
	$ 7,045,739	-	-	-	-

	Carrying amounts	December 31, 2022 Fair value Level 1	Level 2	Level 3	Total
Financial assets at FVTPL－current	$ 356,790	356,790	-	-	356,790
Financial assets at FVOCI					
Listed stocks	271,372	271,372	-	-	271,372
Unlisted stocks	264,316	-	-	264,316	264,316
Accounts receivable	195,549	-	195,549	-	195,549
Financial assets measured at amortized cost					
Cash and cash equivalents	8,418,727	-	-	-	-
Accounts receivable (including related parties)	2,705,968	-	-	-	-
Other financial assets (current and non-current)	3,859,108	-	-	-	-
	$ 16,071,830	**628,162**	**195,549**	**264,316**	**1,088,027**
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 32,115	-	-	-	-
Accounts payable	1,429,818	-	-	-	-
Salaries and bonuses payable	3,945,728	-	-	-	-
Other payables－related parties	135	-	-	-	-
Lease liabilities (current and non-current)	21,486	-	-	-	-
Guarantee deposits received (current and non-current)	1,412,443	-	-	-	-
	$ 6,841,725	**-**	**-**	**-**	**-**

		September 30, 2022			
	Carrying amounts	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at FVTPL－current	$ 355,859	355,859	-	-	355,859
Financial assets at FVOCI					
Listed stocks	278,344	278,344	-	-	278,344
Unlisted stocks	186,217	-	-	186,217	186,217
Accounts receivable	50,361	-	50,361	-	50,361
Financial assets measured at amortized cost					
Cash and cash equivalents	10,404,788	-	-	-	-
Accounts receivable (including related parties)	2,778,532	-	-	-	-
Other receivables －related parties	35,978	-	-	-	-
Other financial assets (current and non-current)	2,150,164	-	-	-	-
	$ 16,240,243	**634,203**	**50,361**	**186,217**	**870,781**
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 32,976	-	-	-	-
Accounts payable	2,143,194	-	-	-	-
Salaries and bonuses payable	4,517,998	-	-	-	-
Other payables－related parties	39	-	-	-	-
Lease liabilities (current and non-current)	23,224	-	-	-	-
Guarantee deposits received (current and non-current)	1,463,688	-	-	-	-
	$ 8,181,119	**-**	**-**	**-**	**-**

(b) Fair value valuation technique of financial instruments measured at fair value

(i) Non-derivative financial instruments

The listed shares and beneficiary certificates held by the Group are measured at fair value according to standard provision and conditions, and are traded in active markets, the fair value is measured using the quoted price in an active market. In addition to the above mentioned financial assets with active market transactions, the fair value of unlisted shares held by the Group is estimated using the market comparable company method, which is measured by price-book ratio of the peers.

(ii) Derivative financial instruments

Fair value of forward currency exchange contract is measured based on the current forward foreign exchange rate.

(c) There was no transfer between the different levels of fair value hierarchy for the nine months ended September 30, 2023 and 2022.

(d) Quantified information for significant unobservable inputs used in fair value measurement(Level 3).

The Group's financial instruments measured at fair value which are categorized within Level 3 include financial assets at FVOCI – equity investments.

The Group classified the equity investments without an active market as recurring level 3 fair values in the fair value hierarchy due to the use of significant unobservable inputs. The significant unobservable inputs of equity investments without an active market are individually independent, and there is no correlation between them.

Quantified information regarding significant unobservable inputs are as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at FVOCI – equity investments without an active market	Market approach (comparable with price-book ratio of the peers)	● P/B ratio multiplier (2.82~3.13, 2.73~4.61 and 2.81~4.65 as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively) ● Discount for lack of market liquidity (30%~60%, 30% and 30% as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.	● The higher the P/B ratio, the higher the fair value ● The higher the market liquidity discount rate, the lower the fair value

(e) Reconciliation for fair value measurements categorized within level 3:

	Financial assets at FVOCI – equity investments without an active market	
	For the nine months ended September 30,	
	2023	**2022**
Balance as of January 1	$ 264,316	56,014
Addition in investments	-	137,205
Total gain/loss		
Recognized in other comprehensive income	(117,649)	(7,002)
Balance as of September 30	**$ 146,667**	**186,217**

The total gains and losses above were recognized in“ unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income”.

(23) Financial risk management

Market price risk of interest rate movements: All of the Group's assets and liabilities bear floating interest rates, and thus suffer from cash flow interest rate risk exposure.

The goals and policies of the Group's financial risk management were not materially different from those disclosed in note 6(23) of the consolidated financial statements for the year ended December 31, 2022.

(24) Capital management

The objectives, policies and procedures of the Group's capital management have been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2022. Also, there was no significant change in the Group's capital management information as disclosed for the year ended December 31, 2022. Refer to Note 6(24) of the consolidated financial statements for the year ended December 31, 2022 for the relevant information.

(25) Financing activities of non-cash transactions

Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2023	Cash flows	Changes in foreign Exchange and other	September 30, 2023
Short-term borrowings	$ 32,115	551,910	5,335	589,360
Lease liabilities	21,486	(5,302)	2,586	18,770
Guarantee deposits received	1,412,443	(304,872)	22,299	1,129,870
Total liabilities from financing activities	**$ 1,466,044**	**241,736**	**30,220**	**1,738,000**

	January 1, 2022	Cash flows	Changes in foreign Exchange and other	September 30, 2022
Short-term borrowings	$ -	32,976	-	32,976
Lease liabilities	9,071	(5,034)	19,187	23,224
Guarantee deposits received	1,384,400	(111,303)	190,591	1,463,688
Total liabilities from financing activities	**$ 1,393,471**	**(83,361)**	**209,778**	**1,519,888**

7. Related-party transactions

(1) Names and relationship with related parties

The followings is a summary of related parties that have had transactions with the Group during the periods presented in the consolidated financial statements.

Name of related parties	Relationship with the Group
AUO Corporation (AUO)	AUO accounted for its investments in the Company using the equity method
AUO (Suzhou) Co., Ltd. (AUOSZ)	Subsidiary of AUO
AUO (Xiamen) Co., Ltd. (AUOXM)	Subsidiary of AUO
AUO (Kunshan) Co., Ltd. (AUOKS)	Subsidiary of AUO
AUO Education Service Corp. (AUES)	Subsidiary of AUO
AUO Display Plus Corporation (ADP)	Subsidiary of AUO
AUO Envirotech Inc.	Subsidiary of AUO
Maxeda Technology Inc. (Maxeda)	The Company represented as a director of Maxeda

(2) The Group's significant related party transactions and balances were as follows:

A. Sales

The amounts of significant sales transactions between the Group and related parties were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
Relationship	**2023**	**2022**	**2023**	**2022**
AUOSZ	$ 588,895	278,837	1,516,103	1,865,102
AUOXM	478,229	430,578	1,446,679	1,728,643
AUO	175,818	127,167	708,690	770,155
Other related parties	52,417	43,936	119,120	328,451
	$ 1,295,359	**880,518**	**3,790,592**	**4,692,351**

For the nine months ended September 30, 2023 and 2022, the collection terms for sales to related parties were 60 to 120 days from the end of the month during which the invoice is issued. The collection terms for sales to non-related parties were 30 to 120 days from the end of the month during which the invoice is issued or the products have been delivered after the advance receipt. The pricing for sales to related parties were not materially different from those with third parties.

B. Receivables from related parties

The receivables from related parties were as follows:

Account	Relationship	September 30, 2023	December 31, 2022	September 30, 2022
Receivables from related parties	AUOSZ	$ 909,152	848,279	616,570
Receivables from related parties	AUOXM	804,022	855,837	771,238
Receivables from related parties	AUO	320,036	300,611	161,014
Receivables from related parties	Other related parties	64,002	138,882	104,761
		$ 2,097,212	**2,143,609**	**1,653,583**
Other receivables from related parties	AUO	**$ -**	**-**	**35,978**

C. Other payables to related parties

The payables to related parties were as follows:

Account	Relationship	September 30, 2023	December 31, 2022	September 30, 2022
Other accounts payable from related parties	AUO	$ 6,877	5	10
Other accounts payable from related parties	Other related parties	1,079	130	29
		$ 7,956	**135**	**39**
Refund liability	AUO	$ -	-	26,819
Refund liability	Other related parties	240	-	1,505
		$ 240	**-**	**28,324**

D. Other

(a) The other income of the Group from its related parties were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
AUO	**$ 11,567**	**17,290**	**11,567**	**17,290**

(b) The rental expenses and other expenses paid by the related parties under lessee contracts were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
AUO	$ 6,790	6,740	20,570	20,163
Other related parties	182	27	300	81
	$ 6,972	**6,767**	**20,870**	**20,244**

(c) The costs of acquiring computer software from related parties were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
Other related parties	**$ -**	**-**	**5,390**	**5,390**

(d) The costs of acquiring leasehold improvements from related parties were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
Other related parties	**$ 1,000**	**-**	**1,000**	**-**

(3) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
Short-term employee benefits	$ 35,390	39,687	90,760	225,837
Post-employment benefits	189	189	567	522
Share-based payments	-	965	-	4,277
	$ 35,579	**40,841**	**91,327**	**230,636**

8. Pledged assets:

The carrying values of pledged assets were as follows:

Asset Name	Pledged to secure	September 30, 2023	December 31, 2022	September 30, 2022
Restricted cash in bank (recognized in other financial assets－current)	Import guarantee for customs	$ 34,378	34,329	34,323
Restricted cash in bank (recognized in other financial assets－current)	Import Guarantee	220,130	220,130	220,130
		$ 254,508	**254,459**	**254,453**

9. Significant Contingencies and Unrecognized Commitments:

The Group has entered into capacity guarantee contracts with several suppliers to make payments for its guarantee deposit and payment in advance, wherein the Group is required to order a minimum quantity during the periods according to the contracts.

The Group has entered into capacity guarantee contracts with several customers to receive guarantee deposits and advance sales receipts according to the agreement, wherein the Group is required to reserve specific production capacity for these customers according to the contracts.

10. Significant disaster losses: None.

11. Subsequent events:

The company signed a real estate purchase contract located in Tai Yuen Hi-Tech Industrial Park on November 2, 2023, with a total contract price of $1,845,000 thousand.

12. Others:

The following is the summary statement of the current period employee benefits, depreciation, and amortization expenses, by function:

By function / By item	For the three months ended September 30,					
	2023			2022		
	Operating Cost	**Operating Expense**	**Total**	**Operating Cost**	**Operating Expense**	**Total**
Employee benefits						
Salary	38,762	569,365	608,127	57,114	564,011	621,125
Labor and health insurance	2,754	30,639	33,393	3,064	28,316	31,380
Pension	1,267	15,807	17,074	1,189	14,351	15,540
Other employee benefits	1,635	22,929	24,564	1,325	30,308	31,633
Depreciation	123	53,375	53,498	42	52,933	52,975
Amortization	68	39,503	39,571	78	41,460	41,538

By function / By item	For the nine months ended September 30, 2023 Operating Costs	2023 Operating Expenses	2023 Total	2022 Operating Costs	2022 Operating Expenses	2022 Total
Employee benefits						
Salary	105,620	1,554,340	1,659,960	199,172	3,419,380	3,618,552
Labor and health insurance	7,874	86,653	94,527	9,365	119,013	128,378
Pension	3,711	45,789	49,500	3,447	40,994	44,441
Other employee benefits	4,878	66,004	70,882	4,175	65,697	69,872
Depreciation	193	154,060	154,253	169	157,797	157,966
Amortization	203	121,430	121,633	251	117,892	118,143

13. Other disclosures:

(1) Information on significant transactions:

The followings is a summary of the information on significant transactions required by the Regulations Governing the Preparation of Financial Reports by Securities Issuers for the Group:

A. Loans to other parties: None.

B. Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Endorsement / Guarantee Provider	Guarantee Party		Limitation on Endorsement/ Guarantees Amount Provided to Each Guarantee Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantees to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship										
0	The Company	Raydium Semiconductor (Kunshan) Co., Ltd.	Subsidiaries	2,156,427	322,820	322,820	255,023	-	2.99 %	5,391,067	Y	N	Y

Note 1: The total amount of the Group's endorsement/guarantee for a single enterprise shall not exceed 20% of the net value of the latest financial statements audited or reviewed by accountants.

Note 2: The total amount of the Group's endorsement/guarantee for others shall not exceed 50% of the net value of the latest financial statements audited or reviewed by accountants.

C. Securities held as of September 30, 2023 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of shares and Thousands of New Taiwan Dollars)

Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Ending Balance				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	
The Company	Yuanta Wan Tai Money Market Fund	-	Financial assets at FVTPL －current	18,963	294,015	-	294,015	
The Company	Yuanta De-Li Money Market Fund	-	"	15	258	-	258	
The Company	Yuanta De Bao Money Market Fund	-	"	24,947	307,060	-	307,060	
The Company	Shares of Darfon Electronics Corp.	-	Financial assets at FVOCI －current	203	8,768	0.07 %	8,768	
The Company	Shares of Maxeda Technology Inc.	The Company represented as a director of Maxeda	Financial assets at FVOCI －noncurrent	600	31,475	15.00 %	31,475	
The Company	Shares of AUO Corporation	AUO accounted for its investments in the Company using the equity method	"	14,459	237,122	0.19 %	237,122	
The Company	Shares of SiCEV Electronic Co., Ltd.	The Company represented as a director of SiCEV	"	8,943	55,114	18.73 %	55,114	
The Company	Shares of PlayNitride Inc.	-	"	470	47,940	0.44 %	47,940	
The Company	Shares of Neuchips Inc.	-	"	2,000	60,078	2.18 %	60,078	

D. Individual securities acquired or disposed at costs or prices with accumulated amount exceeding the lower of NT$300 million or 20% of the stock capital:

(In Thousands of shares and Thousands of New Taiwan Dollars)

Securities Held by	Marketable Securities Type and Name	Financial Statement Account	Counter-Party	Relationship in the company	Beginning Balance		Addition		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Book Value	Gain (loss) on disposal	Shares	Amount
The Company	Yuanta Wan Tai Money Market Fund	Financial assets at FVTPL－current	-	-	13,144	201,156	41,407	640,000	35,588	550,000	547,721	2,279	18,963	293,435 (Note 1)
The Company	Yuanta De Bao Money Market Fund	"	-	-	12,664	154,050	57,079	700,000	44,796	550,000	547,940	2,060	24,947	306,110 (Note 1)

Note1: The beginning and ending balances are measured acquisition costs. For the carrying amount valuated against the market price, please refer to C item.

E. Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the stock capital: None.

F. Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the stock capital: None.

G. Related-party transactions for purchases and sales with amount exceeding the lower of NT$100 million or 20% of the stock capital:

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others		Notes/Accounts Receivable (Payable)	
			Purchase/ Sales	Amount	Percentage of Total Purchases/ Sales	Payment Terms	Unit Price	Payment Terms	Ending Balance	Percentage of Total Notes/ Accounts Receivable (Payable)
The Company	AUOSZ	Subsidiary of AUO	Sales	1,476,840	11 %	EOM 120 days	Please refer to note 7	Please refer to note 7	889,196	25%
The Company	AUOXM	Subsidiary of AUO	Sales	1,411,810	11 %	EOM 120 days	Please refer to note 7	Please refer to note 7	783,144	22%
The Company	AUOKS	Subsidiary of AUO	Sales	117,782	1 %	EOM 120 days	Please refer to note 7	Please refer to note 7	63,925	2%
The Company	AUO	AUO accounted for its investment in the Company using the equity method	Sales	708,690	5 %	EOM 120 days	Please refer to note 7	Please refer to note 7	320,036	9%

H. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the stock capital:

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 1)	Allowance for Bad Debts
					Amount	Action Taken		
The Company	AUOSZ	Subsidiary of AUO	889,196	2.30	4,400	On the spot collection	194,784	-
The Company	AUOXM	Subsidiary of AUO	783,144	2.31	-	On the spot collection	186,361	-
The Company	AUO	AUO accounted for its investment in the Company using the equity method	320,036	3.04	18	On the spot collection	84,071	-

Note 1: Amounts collected in subsequent period as of October 26, 2023.

I. Trading the derivative instruments: None.

J. The business relationship between the parent and the subsidiaries and significant transactions between them: None.

(2) Information on investees (excluding information on investees in Mainland China):

(In Thousands of shares and Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2023			Net income (losses) of investee	Share of Profits/ Losses of Investee	Note
				September 30, 2023	December 31, 2022	Shares	Percentage of ownership	Carrying value			
The Company	RSA	SAMOA	Investment Holding	248,280	157,080	8,100	100.00 %	8,333	(66,438)	(66,438)	Subsidiary of the Group

(3) Information on investment in Mainland China:

A. The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Investee Company	Main businesses and products	Total amount paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2023	Net income (losses) of the investee (Note 3)	Percentage of ownership	Investment income (Note 3 and 5)	Carrying amounts (Note 2)	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Raydium Semiconductor (Kunshan) Co., Ltd.	Development, design and sale of the IC	245,200 (USD8,000 thousand)	(Note 1)	154,000	91,200	-	245,200	(66,413)	100.00%	(66,413)	5,115	-

B. Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of September 30, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 4)
245,200 (USD8,000 thousand)	245,200 (USD8,000 thousand)	6,469,281

Note 1: Investment in companies in Mainland China through the existing companies in SAMOA.

Note 2: Amounts denominated in foreign currencies are translated into New Taiwan Dollars using the spot rate on the balance sheet date.

Note 3: Amounts denominated in foreign currencies are translated into New Taiwan Dollars using the average exchange rate.

Note 4: Pursuant to the Regulations Governing Permission for Investment and Technical Cooperation in the Mainland Area, the Group's accumulated investments in Mainland China did not exceed the upper limit on investment amount or ratio stipulated by the Investment Commission, Ministry of Economic Affairs (“MOEA”).

Note 5: The financial statements were reviewed by the parent's external accountants.

C. Significant transactions with the investees in Mainland China:

The significant inter-company transactions with the subsidiary in Mainland China for the nine months ended September 30, 2023, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”.

(4) Major shareholders:

Shareholding / Shareholder's Name	Shares	Percentage
Konly Venture Corp.	11,454,429	15.10 %
Capital Tip Customized Taiwan Select High Dividend ETF	5,507,000	7.25 %

Note: Major shareholder refers to a shareholder with a shareholding ratio of 5% or more.

14. Segment information:

The Group mainly engage in development, design and sales of integrate circuits. It only has a single operating segment to be reported. The Group's operating segment above were consistent with the related accounts shown in the consolidated balance sheets and consolidated statements of income. Please refer to the consolidated balance sheet and the consolidated income statement for details of departmental profit and loss, departmental information, and departmental liability information.