

Taiwan Mask Corporation and Subsidiaries  
Consolidated Financial Statements and Independent Auditor's  
Review Report  
Q1 2024 and 2023  
(Stock Code: 2338)

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Taiwan Mask Corporation and Subsidiaries  
Q1 2024 and 2023 Consolidated Financial Statements and Independent Auditor's  
Review Report  
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## Independent Auditors' Review Report

(113) Tsai-Sheng-Bao-Zi No. 24000066

To Taiwan Mask Corporation,

### **Introduction**

We have audited the accompanying consolidated balance sheets for the periods starting January 1 and ending March 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2024, and 2023, as well as the notes to the consolidated financial statements (including the summary of significant accounting policies), for Taiwan Mask Corporation and its subsidiaries (collectively referred to as the Group). The Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IAS No. 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### **Scope**

Except as explained in the following paragraph, we conducted our reviews in accordance with Standards on Review Engagements No. 2410, "Review of Financial Statements" in the Republic of China. The procedures performed when reviewing the consolidated financial statements include inquiries (mainly inquiring personnel responsible for financial and accounting tasks), analytical procedures and other review procedures. The scope of review is obviously smaller than that of audit. Therefore, the accountant may not be able to detect all the significant matters that can be identified through audit, so it is impossible to express an audit opinion.

### **Basis for qualified opinion**

As explained in Note 4(3), the financial statements of insignificant consolidated subsidiaries were not reviewed by independent accountants. Those statements reflect total assets of NT\$3,058,361 thousand and NT\$2,159,169 thousand, constituting 13.65% and 11.13% of the consolidated total assets, and total liabilities of NT\$2,122,554 thousand and NT\$1,230,505 thousand, constituting 12.44% and 8.04% of the consolidated total liabilities as of March 31, 2024, and 2023, respectively. Total comprehensive income of NT\$(207,956) thousand and NT\$(176,522) thousand, constituting (34.44%) and (125.16%) of the consolidated total comprehensive income for the three months ended March 31, 2024, and 2023, respectively. As stated in Notes 6 (6) to the Consolidated Financial Statements, part of the investment using the equity method is prepared based on the financial statements from each company for the same period not reviewed by an CPA. The balances of such investment using the equity method were NT\$58,085 thousand and NT\$111,672 thousand, constituting 0.26% and 0.58% of the consolidated

total assets as of March 31, 2024 and 2023, respectively. The shares of losses of affiliated companies recognized under the equity method were NT\$(9,468) thousand and NT\$(12,963) thousand, constituting (1.76%) and (9.19%) of the consolidated total comprehensive income for the three months ended March 31, 2024, and 2023, respectively.

### **Qualified opinion**

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 consolidated subsidiaries and investments using the equity method been reviewed by independent accountants, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to the 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 the Group as of March 31, 2024, and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024, and 2023 in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and IAS No. 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

PricewaterhouseCoopers Taiwan

Ya-Hui Cheng

CPA

Chien-Yu Liu

Securities and Futures Bureau of Financial Supervisory  
Commission of the Executive Yuan

Approval Document for Attestation: Jin-Guan-Zheng-Liu-Zi No.  
0960072936

Financial Supervisory Commission of the Executive Yuan

Approval Document for Attestation: Jin-Guan-Zheng-Shen-Zi  
No. 1090350620

May 7, 2024

Taiwan Mask Corporation and Subsidiaries  
Consolidated Balance Sheets  
March 31, 2024 and December 31 and March 31, 2023

Unit: NT\$ Thousand

	Assets	Notes	March 31, 2024		December 31, 2023		March 31, 2023	
			Amount	%	Amount	%	Amount	%
<b>Current assets</b>								
1100	Cash and Cash Equivalents	6(1)	\$ 1,562,811	7	\$ 1,364,106	6	\$ 1,446,328	8
1110	Financial Assets at Fair Value Through Profit or Loss - Current	6(2) and 8	1,688,837	8	1,626,536	8	1,503,950	8
1136	Financial Assets at Amortized Cost - Current	6(3) and 8	332,040	1	259,885	1	267,787	1
1140	Contract Asset - Current	6(22)	83,670	-	105,263	1	116,842	1
1150	Notes Receivables (Net)	6(4)	5,767	-	6,049	-	57	-
1170	Accounts Receivables (Net)	6(4)	1,283,125	6	1,478,806	7	1,209,128	6
1180	Accounts Receivables - Related Parties (Net)	6(4) and 7	458	-	26	-	1,535	-
1200	Other Receivables		31,484	-	29,003	-	16,466	-
1210	Other Receivables - Related Parties	7	611	-	407	-	306	-
1220	Tax Assets for the Period		1,845	-	1,830	-	142	-
130X	Inventories	6(5)	735,286	3	701,823	3	448,503	2
1410	Prepayments		374,615	2	326,387	2	406,762	2
1470	Other Current Assets		14,242	-	10,774	-	19,129	-
11XX	<b>Total Current Assets</b>		<u>6,114,791</u>	<u>27</u>	<u>5,910,895</u>	<u>28</u>	<u>5,436,935</u>	<u>28</u>
<b>Non-Current Assets</b>								
1510	Financial Asset at Fair Value Through Profit or Loss - Non Current	6(2) and 8	3,554,028	16	2,896,178	14	2,937,191	15
1535	Financial Assets at Amortized Cost - Non Current	6(3) and 8	672,045	3	660,157	3	471,015	2
1550	Investment under Equity Method	6(6)	467,353	2	67,506	-	111,672	1
1600	Property, plant and equipment	6(7) and 8	9,466,544	42	9,492,391	45	8,361,506	43
1755	Right-of-use Asset	6(8)	550,578	3	554,630	3	567,965	3
1760	Investment property (Net)	6(10) and 8	169,652	1	170,500	1	169,528	1
1780	Intangible assets	6(11) and 8	677,388	3	731,735	4	592,264	3
1840	Deferred Income Tax Assets		22,476	-	22,337	-	16,261	-
1900	Other Non-Current Assets	6(12)	713,814	3	514,639	2	734,599	4
15XX	<b>Total Non-Current Assets</b>		<u>16,293,878</u>	<u>73</u>	<u>15,110,073</u>	<u>72</u>	<u>13,962,001</u>	<u>72</u>
1XXX	<b>Total Assets</b>		<u>\$ 22,408,669</u>	<u>100</u>	<u>\$ 21,020,968</u>	<u>100</u>	<u>\$ 19,398,936</u>	<u>100</u>

(Continued)

Taiwan Mask Corporation and Subsidiaries  
Consolidated Balance Sheets  
March 31, 2024 and December 31 and March 31, 2023

Unit: NT\$ Thousand

	Notes	March 31, 2024		December 31, 2023		March 31, 2023		
		Amount	%	Amount	%	Amount	%	
<b>Liabilities and Equities</b>								
<b>Current liabilities</b>								
2100	Short Term Loans	6(13)	\$ 6,417,737	29	\$ 5,429,370	26	\$ 5,573,861	29
2120	Financial Liabilities at Fair Value	6(2)						
	Through Profit or Loss - Current		11,059	-	9,383	-	2,011	-
2130	Contract Liabilities - Current	6(22)	164,830	1	174,538	1	178,788	1
2150	Notes Payable		10,676	-	66	-	71	-
2170	Accounts Payable		407,316	2	463,892	2	324,140	2
2200	Other Payables	6(14)	1,647,521	7	1,205,153	6	1,981,353	10
2220	Other Payables - Related Parties	7	229	-	304	-	-	-
2230	Income Tax Liabilities for the							
	Period		46,963	-	15,379	-	254,210	1
2250	Provision for Liabilities - Current		3,260	-	4,513	-	-	-
2280	Lease Liability - Current		40,869	-	47,439	-	40,094	-
2320	Long-term liabilities due within	6(16)						
	one year or one business cycle		1,171,206	5	1,216,216	6	645,604	4
2399	Other Current Liabilities - Other		19,055	-	57,651	-	18,999	-
21XX	<b>Total Current Liabilities</b>		<u>9,940,721</u>	<u>44</u>	<u>8,623,904</u>	<u>41</u>	<u>9,019,131</u>	<u>47</u>
<b>Non-current liabilities</b>								
2530	Corporate bonds payable	6(15)	3,429,292	15	3,424,600	16	2,613,557	13
2540	Long-term Loans	6(16)	2,957,306	13	3,126,340	15	2,910,063	15
2570	Deferred Income Tax.		161,791	1	163,536	1	135,341	1
2580	Lease liability - Non Current		522,318	3	519,754	3	537,764	3
2640	Defined Benefit Liabilities - Non							
	Current		9,505	-	10,648	-	11,343	-
2645	Guarantee Deposits Received		40,073	-	42,282	-	52,498	-
2670	Other Non-Current Liabilities -							
	Other		-	-	-	-	19,778	-
25XX	<b>Total Non-Current</b>		<u>7,120,285</u>	<u>32</u>	<u>7,287,160</u>	<u>35</u>	<u>6,280,344</u>	<u>32</u>
2XXX	<b>Total Liabilities</b>		<u>17,061,006</u>	<u>76</u>	<u>15,911,064</u>	<u>76</u>	<u>15,299,475</u>	<u>79</u>
<b>Equity attributable to shareholders of the parent company</b>								
	Capital	6(18)						
3110	Capital stock		2,564,465	11	2,564,465	12	2,564,465	13
	Capital surplus	6(19)						
3200	Capital surplus		1,440,745	6	1,439,959	7	1,203,283	6
	Retained earnings	6(20)						
3310	Legal reserve		827,460	4	827,460	4	769,952	4
3350	Unappropriated earnings		1,764,833	8	1,464,101	7	1,380,833	7
	Other equity interests	6(21)						
3400	Other equity interests		11,621	-	1,641	-	12,670	-
3500	Treasury stock	6(18) and 8	( 1,167,369)	( 5)	( 1,174,484)	( 6)	( 1,778,979)	( 9)
31XX	<b>Total Equities Attributable to Parent Company</b>		<u>5,441,755</u>	<u>24</u>	<u>5,123,142</u>	<u>24</u>	<u>4,152,224</u>	<u>21</u>
36XX	<b>Non-controlling Interests</b>		( 94,092)	-	( 13,238)	-	( 52,763)	-
3XXX	<b>Total Equities</b>		<u>5,347,663</u>	<u>24</u>	<u>5,109,904</u>	<u>24</u>	<u>4,099,461</u>	<u>21</u>
	Major Commitments and	9						
	Contingencies							
	Major Events after Financial	11						
	Statement Date							
3X2X	<b>Total Liabilities and Equities</b>		<u>\$ 22,408,669</u>	<u>100</u>	<u>\$ 21,020,968</u>	<u>100</u>	<u>\$ 19,398,936</u>	<u>100</u>

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

Chairman: Sean Chen

Managerial Officer: Lidon Chen

Accounting Supervisor: Yu-Ming Fang

Taiwan Mask Corporation and Subsidiaries  
Consolidated Statement of Comprehensive Income  
January 1 to March 31, 2024 and 2023

Unit: NT\$ Thousand  
(Except for earnings per share)

Items	Notes	January 1 to March 31, 2024		January 1 to March 31, 2023	
		Amount	%	Amount	%
4000 Operating income	6(22) and 7	\$ 1,850,048	100	\$ 1,563,590	100
5000 Operating costs	6(5) and 7	( 1,519,846)	( 82)	( 1,136,530)	( 73)
5900 Gross profit		<u>330,202</u>	<u>18</u>	<u>427,060</u>	<u>27</u>
Operating Expenses	6(27) (28) and 7				
6100 Selling Expenses		( 76,696)	( 4)	( 57,145)	( 4)
6200 Administrative Expenses		( 152,610)	( 8)	( 100,077)	( 6)
6300 R&D Expenses		( 103,588)	( 6)	( 82,075)	( 5)
6450 Expected Credit Impairment (Loss) Gain	12(2)	( 12,919)	( 1)	3,515	-
6000 Total Operating Expenses		<u>( 345,813)</u>	<u>( 19)</u>	<u>( 235,782)</u>	<u>( 15)</u>
6900 Operating losses (gains)		<u>( 15,611)</u>	<u>( 1)</u>	<u>191,278</u>	<u>12</u>
Non-operating income and expenses					
7100 Interest income	6(23)	7,562	-	9,766	1
7010 Other Incomes	6(24) and 7	8,444	1	10,244	1
7020 Other Gains and Losses	6(25)	719,776	39	78,403	5
7050 Financial Costs	6(26)	( 79,205)	( 4)	( 57,342)	( 4)
7060 The share of affiliates and joint venture profits and losses recognized by the equity method	6(6)	( 10,600)	( 1)	( 12,963)	( 1)
7000 Total Non-Operating Incomes and Losses		<u>645,977</u>	<u>35</u>	<u>28,108</u>	<u>2</u>
7900 <b>Earnings Before Tax</b>		<u>630,366</u>	<u>34</u>	<u>219,386</u>	<u>14</u>
7950 Income Tax Expense	6(29)	( 36,453)	( 2)	( 80,508)	( 5)
8200 <b>Net profit for the period</b>		<u>\$ 593,913</u>	<u>32</u>	<u>\$ 138,878</u>	<u>9</u>
<b>Other Comprehensive Incomes (Net) Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361 Financial statement translation differences of foreign operations	6(21)	\$ 9,980	1	\$ 2,162	-
8360 Total Components of other comprehensive income that will be reclassified to profit or loss		<u>9,980</u>	<u>1</u>	<u>2,162</u>	<u>-</u>
8300 <b>Other Comprehensive Incomes (Net)</b>		<u>\$ 9,980</u>	<u>1</u>	<u>\$ 2,162</u>	<u>-</u>
8500 <b>Total comprehensive income for the year</b>		<u>\$ 603,893</u>	<u>33</u>	<u>\$ 141,040</u>	<u>9</u>
Net Incomes (Losses) Attributable to:					
8610 Parent Company		\$ 674,209	36	\$ 208,051	13
8620 Non-controlling Interests		( 80,296)	( 4)	( 69,173)	( 4)
Total		<u>\$ 593,913</u>	<u>32</u>	<u>\$ 138,878</u>	<u>9</u>
Total Comprehensive Incomes (Losses) Attributable to:					
8710 Parent Company		\$ 684,189	37	\$ 210,213	13
8720 Non-controlling Interests		( 80,296)	( 4)	( 69,173)	( 4)
Total		<u>\$ 603,893</u>	<u>33</u>	<u>\$ 141,040</u>	<u>9</u>
Earnings per share	6(30)				
9750 Net profit for the period		<u>\$</u>	<u>3.16</u>	<u>\$</u>	<u>1.01</u>
Diluted Earnings per share	6(30)				
9850 Net profit for the period		<u>\$</u>	<u>2.88</u>	<u>\$</u>	<u>0.91</u>

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

Chairman: Sean Chen

Managerial Officer: Lidon Chen

Accounting Supervisor: Yu-Ming Fang



Taiwan Mask Corporation and Subsidiaries  
Consolidated Statement of Changes in Equity  
January 1 to March 31, 2024 and 2023

Unit: NT\$ Thousand

	Notes	Equity attributable to shareholders of the parent company							Non-controlling Interests	Total Equity	
		Capital stock	Capital surplus	Legal reserve	Unappropriated earnings	Other equity interests	Treasury stock	Total			
						Financial statement translation differences of foreign operations	Unrealized gain (loss) on investments on financial assets at fair value through other comprehensive income				
<u>January 1 to March 31, 2023</u>											
Balance as at January 1, 2023		\$ 2,564,465	\$ 1,251,681	\$ 769,952	\$ 1,729,293	\$ 13,174	(\$ 2,666 )	(\$ 1,778,979 )	\$ 4,546,920	(\$ 112,713 )	\$ 4,434,207
Net profit for the period		-	-	-	208,051	-	-	-	208,051	( 69,173 )	138,878
Other Comprehensive Profit or Loss	6(21)	-	-	-	-	2,162	-	-	2,162	-	2,162
Total comprehensive income for the year		-	-	-	208,051	2,162	-	-	210,213	( 69,173 )	141,040
Distribution and appropriation of earnings for 2022											
Cash dividends		-	-	-	( 556,511 )	-	-	-	( 556,511 )	-	( 556,511 )
Distribution of cash from capital surplus	6 (19)(20)	-	( 48,392 )	-	-	-	-	-	( 48,392 )	-	( 48,392 )
Payment of overdue unclaimed dividends to shareholders		-	( 6 )	-	-	-	-	-	( 6 )	-	( 6 )
Increase in non-controlling interests in mergers		-	-	-	-	-	-	-	-	129,123	129,123
Balance as at March 31, 2023		\$ 2,564,465	\$ 1,203,283	\$ 769,952	\$ 1,380,833	\$ 15,336	(\$ 2,666 )	(\$ 1,778,979 )	\$ 4,152,224	(\$ 52,763 )	\$ 4,099,461
<u>January 1 to March 31, 2024</u>											
Balance as of January 1, 2024		\$ 2,564,465	\$ 1,439,959	\$ 827,460	\$ 1,464,101	\$ 4,307	(\$ 2,666 )	(\$ 1,174,484 )	\$ 5,123,142	(\$ 13,238 )	\$ 5,109,904
Net profit for the period		-	-	-	674,209	-	-	-	674,209	( 80,296 )	593,913
Other Comprehensive Profit or Loss	6(21)	-	-	-	-	9,980	-	-	9,980	-	9,980
Total comprehensive income for the year		-	-	-	674,209	9,980	-	-	684,189	( 80,296 )	603,893
Distribution and appropriation of earnings for 2023											
Cash dividends		-	-	-	( 373,477 )	-	-	-	( 373,477 )	-	( 373,477 )
Changes in ownership interests in subsidiaries recognized	6(19)	-	786	-	-	-	-	-	786	( 558 )	228
Subsidiaries donated treasury stock	6(18)	-	-	-	-	-	-	7,115	7,115	-	7,115
Balance as of March 31, 2024		\$ 2,564,465	\$ 1,440,745	\$ 827,460	\$ 1,764,833	\$ 14,287	(\$ 2,666 )	(\$ 1,167,369 )	\$ 5,441,755	(\$ 94,092 )	\$ 5,347,663

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

Chairman: Sean Chen

Managerial Officer: Lidon Chen

Accounting Supervisor: Yu-Ming Fang

Taiwan Mask Corporation and Subsidiaries  
Consolidated Statements of Cash Flows  
January 1 to March 31, 2024 and 2023

Unit: NT\$ Thousand

	Notes	January 1 to March 31, 2024	January 1 to March 31, 2023
<u>Cash Flow from Operating Activities</u>			
Net Income(Loss) Before Tax		\$ 630,366	\$ 219,386
Adjustments to Reconcile Net Income to Net Cash Flow from Operating Activities			
Revenues and Expenses			
Depreciation	6(27)	307,621	199,199
Amortization	6(27)	30,065	11,570
Expected Credit Impairment loss (reversal gain)	12(2)	12,919	( 3,515 )
Interest income	6(23)	( 7,562 )	( 9,766 )
Interest Expenses	6(26)	79,205	57,342
Subsidiaries donated treasury stock	7	7,115	-
Net gain on financial assets measured at fair value through profit or loss	6(25)	( 698,087 )	( 24,058 )
Gain (loss) on disposal of investments	6(25)	-	( 64,164 )
Share of losses of affiliated companies recognized under the equity method	6(6)	10,600	12,963
Disposal of interests in property, plant and equipment	6(25)	( 14,117 )	( 57 )
Gain on lease modifications	6(25)	( 868 )	-
Goodwill impairment loss	6(25)	27,390	-
The Changes of Assets/ Liabilities related to Operating Activities			
Net Changes of Assets related to Operating Activities			
Mandatory financial assets at fair value through profit or loss		( 20,388 )	124,550
Contract Assets		21,593	23,389
Notes Receivables		282	1,388
Accounts Receivables		182,762	311,607
Accounts Receivables – Related Parties		( 432 )	811
Other Receivables		( 2,481 )	( 2,715 )
Other Receivables – Related Parties		( 204 )	( 306 )
Inventories		( 33,463 )	2,553
Prepayments		( 48,228 )	( 120,877 )
Other Current Assets		( 3,468 )	70,053
Other Non-Current Assets		47	28,877
Net Changes of Liabilities related to Operating Activities			
Contract Liabilities		( 9,708 )	( 63,476 )
Notes Payable		10,610	( 79,732 )
Accounts Payable		( 56,576 )	( 111,924 )
Accounts payable - Related party		-	( 284 )
Other Payables		19,311	( 89,283 )
Other Payables- related Parties		( 75 )	-
Provisions		( 1,253 )	-
Other Current Liabilities		( 38,596 )	( 20,683 )
Defined Benefit Liabilities		( 1,143 )	( 5,170 )
Other Non-Current Liabilities		-	12,551
Net Cash In-Flow from Operating		403,237	480,229
Interest Received		7,562	9,766
Interest Paid		( 74,513 )	( 52,829 )
Income Tax Paid		( 4,869 )	( 5,279 )
Net Cash In-Flow (Out-Flow) from Operating Activities		331,417	431,887

(Continued)

Taiwan Mask Corporation and Subsidiaries  
Consolidated Statements of Cash Flows  
January 1 to March 31, 2024 and 2023

Unit: NT\$ Thousand

	Notes	January 1 to March 31, 2024	January 1 to March 31, 2023
<u>Cash Flow from Investment Activities</u>			
Acquisition of Amortized Cost Financial Assets		(\$ 85,516)	(\$ 137,807)
Disposal of Amortized Cost Financial Assets		5,860	67,072
Acquisition of investment property by the Equity Method	6(6)	( 410,400 )	-
Cash inflows from changes in consolidated entities	6(31)	-	34,014
Acquisition of Property, Plants and Equipment	6 (32)	( 416,066 )	( 1,291,469 )
Disposal of Property, Plants and Equipment		25,101	57
Acquisition of Intangible Assets	6(11)	( 3,108 )	-
Increase in refundable deposit		( 391 )	( 8,707 )
Net Cash Outflow from Investing Activities		( 884,520 )	( 1,336,840 )
<u>Cash Flows from Financing Activities</u>			
Increase of Short Term Loan	6 (33)	2,646,202	4,687,072
Redemption of Short Term Loan	6 (33)	( 1,656,423 )	( 3,836,890 )
Increase of Long Term Loan	6 (33)	151,736	60,581
Redemption of Long Term Loan	6 (33)	( 370,806 )	( 315,501 )
Redemption of Lease Principal	6 (33)	( 12,868 )	( 9,595 )
Increase (decrease) of refundable deposits	6 (33)	( 2,209 )	17,744
Payment of overdue unclaimed dividends		-	( 6 )
Net Cash In-Flow (Out-Flow) from Funding Activities		755,632	603,405
Adjustments of Exchange Rate		( 3,824 )	( 2,081 )
Net increase (decrease) in cash and cash equivalents		198,705	( 303,629 )
Beginning Balance of Cash and Cash Equivalents		1,364,106	1,749,957
Ending Balance of Cash and Cash Equivalents	6(1)	\$ 1,562,811	\$ 1,446,328

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

Chairman: Sean Chen

Managerial Officer: Lidon Chen

Accounting Supervisor: Yu-Ming Fang

Taiwan Mask Corporation and Subsidiaries  
Notes to the Consolidated Financial Statements  
Q1 2024 and 2023

Unit: NT\$ Thousand  
(Unless otherwise specified)

I. Company History

Taiwan Mask Corporation (hereinafter referred to as the “Company”) was established on October 21, 1988, and started its operations in March 1989. The Company was approved by the shareholders meeting on June 12, 2000 to acquire Shin-Tai Technology Co., Ltd., on the merger record date of December 1, 2000, with the Company being the surviving entity. The Company and its subsidiary (collectively referred to as the “Group”) mainly engage in the research, development, manufacturing and sales of photomask and integrated circuits, providing technical assistance, consultation, inspection and repair of the abovementioned products, and manufacturing and buying and selling of medical equipment.

II. Date and procedures for passing the financial statement

The consolidated financial statements were reported to the Board of Directors and issued on May 7, 2024.

III. Application of New and Revised International Financial Reporting Standards

(I) The impact from adopting the newly released and revised IFRS and IAS recognized and issued into effect by the Financial Supervisory Commission (FSC).

The following table summarizes the applicable newly released, corrected and amended standards and interpretations of the IFRS and IAS recognized and issued into effect by the Financial Supervisory Commission in 2024:

<u>Newly released/corrected/amended standards and interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendments to IFRS 16 - “Liabilities of Lease from the Leaseback”	January 1, 2024
Amendment to IAS 1 “Classification of Liabilities as Current or Non-Current”	January 1, 2024
Amendment to IAS 1 “Non-Current Liabilities With Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Financing Arrangements”	January 1, 2024

The Group believes that the adoption of aforementioned IFRSs will not have a significant effect on the financial position and performance.

(II) Impact of the newly released and amended IFRS and IAS recognized by the FSC not yet adopted by the Company.

None.

(III) IFRS and IAS issued by the IASB but not yet recognized by the FSC.

The following table summarizes the applicable newly released, corrected and amended

standards and interpretations of the IFRS and IAS issued by the IASB but not yet recognized by the FSC:

<u>Newly released/corrected/amended standards and interpretations</u>	<u>Effective Date Issued by IASB</u>
IFRS 10 and IAS 28 amendments, Sale or contribution of assets between an investor and its associate or joint venture	To be determined by the IASB
IFRS 17 - Insurance contracts	January 1, 2023
Amendment to IFRS 17 - Insurance contracts	January 1, 2023
Amendments to IFRS 17 “First-time Adoption 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 No. 21 “Lack of Exchangeability”	January 1, 2025

Other than the follows, the Group believes that the adoption of aforementioned IFRSs will not have a significant effect on the financial position and performance.

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 “Presentation and Disclosure in Financial Statements” replaces IAS 1 and updates the structure of statement of comprehensive income, adds the disclosure of measurement for management performance, while strengthening the aggregation and segmentation principles to be adopted for the main financial statements and notes thereto.

#### IV. Summary of Significant Accounting Policies

Significant accounting policies are the same as those in Note 4 of the 2023 consolidated financial statements, except for the compliance statements, basis of preparation, basis of consolidation, and applicable parts of interim financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### (I) Compliance statement

1. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the IAS No. 34, “Interim Financial Reporting” as endorsed by the FSC.
2. The consolidated financial statement should be read in conjunction with the 2023 consolidated financial statement.

##### (II) Basis of Preparation

1. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention.
  - (1) Financial assets and financial liabilities at fair value through profit or loss (including derivatives).
  - (2) Financial Assets at Fair Value Through Other Comprehensive Income.
  - (3) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

2. The preparation of financial statements in conformity with IFRS, IAS, IFRIC Interpretations, and SIC Interpretations 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.

(III) Basis of consolidation

1. The basis for preparation of consolidated financial statements

The principles for preparing the consolidated financial statement are the same as those of the 2023 consolidated financial statement.

2. Subsidiaries included in the consolidated financial statements:

Name of Investor	Subsidiary Name	Main Business Activity	Ownership (%)			Explanation
			March 31, 2024	December 31, 2023	March 31, 2023	
Taiwan Mask Corporation	SunnyLake Park International Holding, Inc.	Name of Investor	100	100	100	Note 7
Taiwan Mask Corporation	Youe Chung Capital Corporation	Name of Investor	100	100	100	
Taiwan Mask Corporation	Miracle Technology CO., LTD.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	100	100	100	
Taiwan Mask Corporation	Innova Vision INC.	Manufacturing, retail, wholesale and international trade of medical equipment	75.32	75.32	91.53	Note 7
Taiwan Mask Corporation	One Test Systems	Research, development and design of test equipment and related components	100	100	-	Note 3, Note 7
Taiwan Mask Corporation	Pilot Qiangxiang Co., Ltd.	Electronic parts and components and energy technical services	20.00	20.00	-	Note 1, Note 6, Note 7
Youe Chung Capital Corporation	Innova Vision INC.	Manufacturing, retail, wholesale and international trade of medical equipment	0.19	0.19	0.23	Note 7
Youe Chung Capital Corporation	Aptos Technology INC.	Design, packaging and testing of NAND flash memory, solid state drives and the related products	47.19	47.19	47.19	Note 4, Note 7

Name of Investor Name	Subsidiary Name	Main Business Activity	Ownership (%)			Explanation
			March 31, 2024	December 31, 2023	March 31, 2023	
Youe Chung Capital Corporation	Xsense Technology Corporation	Name of Investor	100	100	100	Note 7
Youe Chung Capital Corporation	Xsense Technology Corporation (B.V.I.) Taiwan Branch	Precious metal coating	53.00	53.00	53.00	Note 7
Youe Chung Capital Corporation	Digital-Can Tech. Co., Ltd.	3D Printing and Plastic Mold Design	57.39	57.39	57.39	Note 7
Youe Chung Capital Corporation	Pilot Qiangxiang Co., Ltd.	Electronic parts and components and energy technical services	38.89	38.89	58.33	Note 1, Note 6, Note 7
Youe Chung Capital Corporation	Moment Semiconductor, Inc.	Retail and wholesale of memory products	53.33	53.33	53.33	Note 2, Note 7
Aptos Technology INC.	ADL Energy Corp	Electronic parts and components and energy technical services	-	-	100	Note 5, Note 7
Aptos Technology INC.	New Sunrise Limited	Name of Investor	100	100	100	Note 7
Pilot Qiangxiang Co., Ltd.	ADL Energy Corp	Electronic parts and components and energy technical services	100	100	-	Note 5, Note 7
ADL Energy Corp	Aptos Global Holding Corp.	Name of Investor	100	100	100	Note 7
Miracle Technology CO., LTD.	Jing Hao Investment Co., Ltd.	Name of Investor	100	100	100	
Miracle Technology CO., LTD.	Miracle International Enterprise(Shanghai) Co., Ltd.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	100	100	100	
Jing Hao Investment Co., Ltd.	Miko-China Enterprise (Shanghai) Co., Ltd.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	100	100	100	

Name of Investor Name	Subsidiary Name	Main Business Activity	Ownership (%)			Explanation
			March 31, 2024	December 31, 2023	March 31, 2023	
Jing Hao Investment Co., Ltd.	MIKO Technology Co., Ltd.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	100	100	100	
Miko-China Enterprise (Shanghai) Co., Ltd.	Sichuan Miracle Power Technology Co., Ltd.	IC product design, production and sales	79.17	79.17	79.17	
Miracle International Enterprise (Shanghai) Co., Ltd.	Sichuan Miracle Power Technology Co., Ltd.	IC product design, production and sales	20.83	20.83	20.83	
Innova Vision INC.	Innova Technology	Medical equipment retail and wholesale	100	100	100	Note 7
Innova Vision INC.	Innova Vision (B.V.I.) Inc.	Name of Investor	100	100	100	Note 7
Innova Vision INC.	iPro Vision Inc.	Medical equipment retail and wholesale	52.03	52.03	52.03	Note 7
Innova Vision (B.V.I.) Inc.	iPro Vision Inc.	Medical equipment retail and wholesale	47.97	47.97	47.97	Note 7

Note 1: In March 2023, the Company's subsidiary, Youe Chung Capital Corporation, invested in Pilot Battery Co., Ltd. with 58.33% shareholding. Pilot Battery Co., Ltd. organized capital increase in cash by issuing new shares in November 2023. Youe Chung Capital Corporation did not execute based on shares proportion. Instead, the Company participated in the cash capital increase. As of March 2024, the Company and the Company's subsidiary, Youe Chung Capital Corporation, respectively held shares of ratio was 20% and 38.89%.

Note 2: In March 2023, the Company's subsidiary, Youe Chung Capital Corporation, invested in Moment Semiconductor, Inc. with 53.33% shareholding.

Note 3: The Company's subsidiary, Aptos Technology INC. invested in One Test Systems in May 2023 with a 100 % shareholding. In August 2023, the Group was reorganized and One Test Systems was directly owned by the Company, with its shareholding remaining at 100%.

Note 4: The Company's subsidiary, Youe Chung Capital Corporation, which holds a majority of the Board of Directors of the company, has substantial control over the company and therefore included the company in the consolidated financial statements as a consolidated entity.

Note 5: Aptos Technology Inc., a subsidiary of the Company, held 100% equity of ADL Energy Corp. The Group's organization was restructured in December 2023 and the Company's subsidiary, Pilot Battery Co., Ltd., directly owned ADL Energy Corp. with a shareholding ratio of 100%.



Note 6: Pilot Battery Co.,Ltd. was renamed as Pilot Qiangxiang Co., Ltd. in April 2024.

Note 7: The financial statements of March 31, 2024 and 2023 have not been reviewed by CPAs as they did not meet the definition of a material subsidiary.

3. Subsidiaries not included in the consolidated financial statement: None.
4. Adjustments for subsidiaries with different balance sheet dates: None.
5. Significant restrictions: None.
6. Subsidiaries that have non-controlling interests that are material to the Corporate Group:

As of March 31, 2024, December 31, 2023 and March 31, 2024, the non-controlling interest amounted to (\$94,092), (\$13,238) and (\$52,763), respectively. The following information shows subsidiaries that have non-controlling interests that are material to the Group:

		<u>Non-controlling Interests</u>				
		<u>March 31, 2024</u>		<u>December 31, 2023</u>		
<u>Name of Subsidiary</u>	<u>Main location of business</u>	<u>Amount</u>	<u>Ownership in %</u>	<u>Amount</u>	<u>Ownership in %</u>	<u>Explanation</u>
Aptos Technology and its subsidiaries	Taiwan	(\$ 276,825)	52.81%	(\$ 248,253)	52.81%	
		<u>March 31, 2023</u>				
<u>Name of Subsidiary</u>	<u>Main location of business</u>	<u>Amount</u>	<u>Ownership in %</u>	<u>Amount</u>	<u>Ownership in %</u>	<u>Explanation</u>
Aptos Technology and its subsidiaries	Taiwan			(\$ 150,547)	52.81%	

Aggregate financial information of subsidiaries:

Balance Sheet

	<u>Aptos Technology and its subsidiaries</u>		
	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current assets	\$ 186,969	\$ 248,931	\$ 425,457
Non-Current Assets	432,535	501,076	561,916
Current liabilities	( 829,024)	( 857,464)	( 858,112)
Non-current liabilities	( 314,657)	( 362,617)	( 414,327)
Total net assets	<u>(\$ 524,177)</u>	<u>(\$ 470,074)</u>	<u>(\$ 285,066)</u>

Statement of Comprehensive Income

	<u>Aptos Technology and its subsidiaries</u>	
	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Revenue	\$ 53,890	\$ 84,243
Net loss before taxes	( 54,103)	( 94,625)
Income tax benefit (expense)	-	( 15)
Net loss of current period from continuing operations	<u>( 54,103)</u>	<u>( 94,640)</u>
Net loss	( 54,103)	( 94,640)
Other comprehensive income (net after tax)	-	-
Total comprehensive income for the year	<u>(\$ 54,103)</u>	<u>(\$ 94,640)</u>

Statements of Cash Flows

	<u>Aptos Technology and its subsidiaries</u>	
	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Net cash outflow from operating activities	(\$ 44,554)	(\$ 36,846)
Cash Out-Flow (Out-Flow) from Investing Activities	1,357	( 25,920)
Net Cash In-Flow (Out-Flow) from Funding Activities	<u>3,266</u>	<u>94,968</u>
Net increase (decrease) in cash and cash equivalents	( 39,931)	32,202
Beginning Balance of Cash and Cash Equivalents	<u>57,865</u>	<u>18,461</u>
Ending Balance of Cash and Cash Equivalents	<u>\$ 17,934</u>	<u>\$ 50,663</u>

(IV) Employee benefits

Pensions

Defined benefit plans

The calculation of pension cost during the interim period adopts the pension cost rate determined by actuarial calculations at the end of the previous financial year, and is based on the beginning of the year to the end of the current period. If there are major market changes and major reductions, liquidation or other major one-off events after the end date, adjustments shall be made and relevant information shall be disclosed in accordance with the abovementioned policies.

(V) Income tax

Income tax expenses of the interim period are calculated based on the estimated annual average effective tax rate applied to the pre-tax profit and loss of the interim period, and the relevant information shall be disclosed in accordance with the aforementioned policies.

V. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

There are no major changes, please refer to Note 5 of 2023 consolidated financial statements.

VI. Summary of Significant Accounting Items

(I) Cash and Cash Equivalents

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Cash on hand	\$ 623	\$ 629	\$ 741
Checking accounts and demand deposits	1,422,326	1,332,772	1,049,737
Time deposits	<u>139,862</u>	<u>30,705</u>	<u>395,850</u>
Total	<u>\$ 1,562,811</u>	<u>\$ 1,364,106</u>	<u>\$ 1,446,328</u>

1. The Group associates 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. The Group has no cash and cash and cash equivalents pledged to others.

(II) Financial assets and liabilities at fair value through profit or loss

<u>Items</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current items:			
Mandatory financial assets at fair value through profit or loss			
Shares of listed and OTC company	\$ 1,351,034	\$ 1,351,033	\$ 1,135,534
Beneficiary certificates	<u>500</u>	<u>500</u>	<u>500</u>
	1,351,534	1,351,533	1,136,034
Valuation adjustment	<u>337,303</u>	<u>275,003</u>	<u>367,916</u>
	<u>\$ 1,688,837</u>	<u>\$ 1,626,536</u>	<u>\$ 1,503,950</u>
Financial liabilities mandatorily measured at fair value through profit or loss			
Convertible bond call/put options	<u>\$ 11,059</u>	<u>\$ 9,383</u>	<u>\$ 2,011</u>
Non-current items:			
Mandatory financial assets at fair value through profit or loss			
Shares of listed and OTC company	\$ 2,689,504	\$ 2,689,504	\$ 2,654,737
Shares of non-listed and non-OTC company	130,337	129,949	115,448
Private equity	<u>95,000</u>	<u>75,000</u>	<u>20,000</u>
	2,914,841	2,894,453	2,790,185
Valuation adjustment	<u>639,187</u>	<u>1,725</u>	<u>147,006</u>
	<u>\$ 3,554,028</u>	<u>\$ 2,896,178</u>	<u>\$ 2,937,191</u>

1. Details of financial assets/liabilities at fair value through profit or loss recognized in profit or loss are as follows:

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Financial assets mandatorily measured at fair value through profit or loss		
Shares of listed and OTC company	\$ 681,147	\$ 84,536
Convertible bond call/put options	( 1,676)	3,686
Shares of non-listed and non-OTC company	<u>18,616</u>	<u>-</u>
	<u>\$ 698,087</u>	<u>\$ 88,222</u>

2. Please see Note 8 on how the Group provides financial assets at fair value through profit or loss as a pledged collateral.
3. Please see Note 12 (2) and (3) for the price risk and fair value information related to financial assets and liabilities at fair value through profit or loss.

(III) Financial assets measured at amortized cost

<u>Items</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current items:			
Demand Deposit	\$ 149,740	\$ 156,629	\$ 152,667
Time deposits	<u>182,300</u>	<u>103,256</u>	<u>115,120</u>
	<u>\$ 332,040</u>	<u>\$ 259,885</u>	<u>\$ 267,787</u>
Non-current items:			
Demand Deposit	\$ 385,050	\$ 377,550	\$ 4,000
Time deposits	<u>286,995</u>	<u>282,607</u>	<u>467,015</u>
Total	<u>\$ 672,045</u>	<u>\$ 660,157</u>	<u>\$ 471,015</u>

1. Financial assets at amortized cost is recognized in the profit or loss shown as follows:

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Interest income	<u>\$ 2,564</u>	<u>\$ 1,978</u>

2. As of March 31, 2024, December 31 and March 31, 2023, without taking into account any collateral held or credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Group was \$1,004,085, \$920,042, and \$738,802, respectively.
3. Please see Note VIII on how the Group provides financial assets at amortized cost as a pledged collateral.

(IV) Notes and accounts receivable

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes Receivables	<u>\$ 5,767</u>	<u>\$ 6,049</u>	<u>\$ 57</u>
Accounts Receivables	\$ 1,325,467	\$ 1,508,229	\$ 1,226,210
Accounts Receivables—Related Parties	<u>458</u>	<u>26</u>	<u>1,535</u>
	1,325,925	1,508,255	1,227,745
Less: Loss allowance	<u>(42,342)</u>	<u>(29,423)</u>	<u>(17,082)</u>
	<u>\$ 1,283,583</u>	<u>\$ 1,478,832</u>	<u>\$ 1,210,663</u>

1. Aging of accounts receivable notes receivable is as follows:

	<u>March 31, 2024</u>		<u>December 31, 2023</u>	
	<u>Accounts</u>	<u>Notes</u>	<u>Accounts</u>	<u>Notes</u>
	<u>Receivables</u>	<u>Receivables</u>	<u>Receivables</u>	<u>Receivables</u>
Not past due	\$ 1,026,023	\$ 5,767	\$ 1,226,407	\$ 6,049
Up to 30 days	173,506	-	171,778	-
31-90 days	70,483	-	78,432	-
91-180 days	33,400	-	11,385	-
More than 181 days past due	<u>22,513</u>	<u>-</u>	<u>20,253</u>	<u>-</u>
	<u>\$ 1,325,925</u>	<u>\$ 5,767</u>	<u>\$ 1,508,255</u>	<u>\$ 6,049</u>

	<u>December 31, 2023</u>	
	<u>Accounts</u>	<u>Notes</u>
	<u>Receivables</u>	<u>Receivables</u>
Not past due	\$ 946,717	\$ 57
Up to 30 days	151,343	-
31-90 days	108,758	-
91-180 days	8,949	-
More than 181 days past due	<u>11,978</u>	<u>-</u>
	<u>\$ 1,227,745</u>	<u>\$ 57</u>

The above is an aging report based on the number of days past due.

- As of March 31, 2024, December 31, 2023 and March 31, 2023, the balances of accounts receivable and notes receivable were generated from customer contracts. As of January 1, 2023, the balance of receivables under customer contracts was \$1,504,719.
- As of March 31, 2024, December 31, 2023 and March 31, 2023, without taking into account any collateral held or credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable was \$1,283,583, \$1,478,832, and \$1,210,663, respectively.
- Please refer to Note 12 (2) for the information on credit risk of accounts receivable.

(V) Inventories

	<u>March 31, 2024</u>		
		<u>(Gain from reversal of) loss allowance on decline in market value of inventories</u>	<u>Book value</u>
	<u>Cost</u>		
Raw materials	\$ 310,152	(\$ 48,700)	\$ 261,452
Work in process	206,076	( 23,299)	182,777
Finished goods	218,077	( 27,889)	190,188
Merchandise	113,523	( 12,654)	100,869
Total	<u>\$ 847,828</u>	<u>(\$ 112,542)</u>	<u>\$ 735,286</u>

	<u>March 31, 2024</u>		
		<u>(Gain from reversal of) loss allowance on decline in market value of inventories</u>	<u>Book value</u>
	<u>Cost</u>		
Raw materials	\$ 293,091	(\$ 45,647)	\$ 247,444
Work in process	169,281	( 13,839)	155,442
Finished goods	216,092	( 36,811)	179,281
Merchandise	127,487	( 7,831)	119,656
Total	<u>\$ 805,951</u>	<u>(\$ 104,128)</u>	<u>\$ 701,823</u>

	<u>March 31, 2023</u>		
		<u>(Gain from reversal of) loss allowance on decline in market value of inventories</u>	<u>Book value</u>
	<u>Cost</u>		
Raw materials	\$ 294,087	(\$ 77,354)	\$ 216,733
Work in process	79,403	( 7,607)	71,796
Finished goods	124,820	( 33,428)	91,392
Merchandise	76,073	( 7,491)	68,582
Total	<u>\$ 574,383</u>	<u>(\$ 125,880)</u>	<u>\$ 448,503</u>

The cost of inventories recognized as losses by the Corporate Group.

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Cost of goods sold	\$ 1,513,360	\$ 1,134,443
Loss on falling prices of inventory and inventory obsolescence	6,129	6,220
Revenue from sales of leftovers	-	( 4,133)
Sales cost	357	-
	<u>\$ 1,519,846</u>	<u>\$ 1,136,530</u>

(VI) Investment under Equity Method

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Affiliates:			
Advagene Biopharma Co., Ltd.	\$ 36,732	\$ 41,425	\$ 35,136
Weida Hi-Tech Co., Ltd.	21,353	26,081	76,536
TrueLight Corporation	409,268	-	-
	<u>\$ 467,353</u>	<u>\$ 67,506</u>	<u>\$ 111,672</u>

The book value and the share of operating results of each of the Group's insignificant affiliates are summarized as follows:

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Net loss of current period from continuing operations	(\$ 10,600)	(\$ 12,963)

- As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group held 29.54%, 29.54% and 30.73% of shares of Advagene Biopharma Co., Ltd., respectively, and 28.20%, 28.20% and 28.20% of shares of Weida Hi-Tech Co., Ltd., respectively, making it the single largest shareholder in each case. However, the Group did not hold a majority of the board of directors' seats and therefore did not participate in all operational decisions and business policies including strategic decisions (e.g., financing, acquisition, personnel and dividend policies, etc.) of Advagene Biopharma Co., Ltd. Weida Hi-Tech Co., Ltd. The Group's shareholdings alone did not meet the required attendance rate at shareholders' meetings, indicating that the Group has no power to direct relevant activities and therefore the Group does not have control over the company and has only significant influence.
- In March 2024, the Group acquired 13,500 thousand common shares of TrueLight Corporation through a private placement, for \$410,400; as of March 31, 2024, the shareholding percentage was 12.11% and was the single largest shareholder of the companies. However, the Group did not hold a majority of the Board of Directors' seats and therefore did not actually participate in the business decisions and operating policies, including strategic decisions (such as financing, acquisitions, personnel and dividend policies) of TrueLight Corporation. The Group's shareholding alone does not reach the statutory



attendance percentage of shareholders meetings, indicating that the Group has no actual ability to direct relevant activities. Therefore it is judged that the Group has no control over the companies, and only has a significant influence on them.

(VII) Property, plant and equipment

	<u>Buildings and structures (including land)</u>	<u>Machinery and equipment</u>	<u>Office equipment</u>	<u>Transportation equipment</u>	<u>Mold equipment</u>	<u>Other equipment</u>	<u>Unfinished construction and equipment under acceptance</u>	<u>Total</u>
January 1, 2024								
Cost	\$ 2,966,356	\$ 8,379,360	\$ 89,028	\$ 11,826	\$ 337,978	\$ 764,529	\$ 1,162,876	\$ 13,711,953
Accumulated depreciation	( 938,487)	( 2,680,006)	( 50,616)	( 6,892)	( 303,317)	( 240,244)	-	( 4,219,562)
	<u>\$ 2,027,869</u>	<u>\$ 5,699,354</u>	<u>\$ 38,412</u>	<u>\$ 4,934</u>	<u>\$ 34,661</u>	<u>\$ 524,285</u>	<u>\$ 1,162,876</u>	<u>\$ 9,492,391</u>
<u>2024</u>								
January 1	\$ 2,027,869	\$ 5,699,354	\$ 38,412	\$ 4,934	\$ 34,661	\$ 524,285	\$ 1,162,876	\$ 9,492,391
Add - Cost	43,154	43,265	3,139	-	2,610	37,039	146,208	275,415
Disposals - Cost	-	( 73,868)	( 714)	-	-	( 130)	-	( 74,712)
Disposal - Accumulated depreciation	-	62,884	714	-	-	130	-	63,728
Depreciation	( 54,709)	( 194,944)	( 4,579)	( 373)	( 2,384)	( 36,003)	-	( 292,992)
Reclassification	13,132	277,528	-	-	-	8,184	( 296,130)	2,714
March 31	<u>\$ 2,029,446</u>	<u>\$ 5,814,219</u>	<u>\$ 36,972</u>	<u>\$ 4,561</u>	<u>\$ 34,887</u>	<u>\$ 533,505</u>	<u>\$ 1,012,954</u>	<u>\$ 9,466,544</u>
March 31, 2024								
Cost	\$ 3,022,642	\$ 8,626,285	\$ 91,453	\$ 11,826	\$ 340,588	\$ 809,622	\$ 1,012,954	\$ 13,915,370
Accumulated depreciation	( 993,196)	( 2,812,066)	( 54,481)	( 7,265)	( 305,701)	( 276,117)	-	( 4,448,826)
	<u>\$ 2,029,446</u>	<u>\$ 5,814,219</u>	<u>\$ 36,972</u>	<u>\$ 4,561</u>	<u>\$ 34,887</u>	<u>\$ 533,505</u>	<u>\$ 1,012,954</u>	<u>\$ 9,466,544</u>

	<u>Buildings and structures (including land)</u>	<u>Machinery and equipment</u>	<u>Office equipment</u>	<u>Transportation equipment</u>	<u>Mold equipment</u>	<u>Other equipment</u>	<u>Unfinished construction and equipment under acceptance</u>	<u>Total</u>
January 1, 2023								
Cost	\$ 2,538,391	\$ 5,286,246	\$ 65,406	\$ 8,466	\$ 313,370	\$ 595,668	\$ 538,013	\$ 9,345,560
Accumulated depreciation	( 737,646)	( 2,144,752)	( 34,354)	( 5,556)	( 295,689)	( 243,902)	-	( 3,461,899)
	<u>\$ 1,800,745</u>	<u>\$ 3,141,494</u>	<u>\$ 31,052</u>	<u>\$ 2,910</u>	<u>\$ 17,681</u>	<u>\$ 351,766</u>	<u>\$ 538,013</u>	<u>\$ 5,883,661</u>
<u>2023</u>								
January 1	\$ 1,800,745	\$ 3,141,494	\$ 31,052	\$ 2,910	\$ 17,681	\$ 351,766	\$ 538,013	\$ 5,883,661
Add - Cost	19,349	99,612	4,694	2,165	1,065	38,572	2,446,175	2,661,632
Disposals - Cost	-	( 13,774)	-	( 2,189)	-	( 37,956)	-	( 53,919)
Disposal - Accumulated depreciation	-	13,774	-	2,189	-	37,956	-	53,919
Depreciation	( 43,263)	( 117,148)	( 3,429)	( 242)	( 1,802)	( 18,467)	-	( 184,351)
Reclassification	105,951	36,021	288	-	824	29,445	( 251,961)	( 79,432)
Increase in consolidated entities Transfer-in amount	121,636	5,423	1,954	550	-	422	-	129,985
Net exchange differences - Cost	-	13	3	6	-	3	-	25
Net exchange differences - Accumulated depreciation	-	( 7)	( 2)	( 2)	-	-	-	( 14)
March 31	<u>\$ 2,004,418</u>	<u>\$ 3,165,408</u>	<u>\$ 34,560</u>	<u>\$ 5,384</u>	<u>\$ 17,768</u>	<u>\$ 401,741</u>	<u>\$ 2,732,227</u>	<u>\$ 8,361,506</u>
March 31, 2023								
Cost	\$ 2,798,094	\$ 5,424,516	\$ 73,307	\$ 11,236	\$ 315,259	\$ 653,842	\$ 2,732,227	\$ 12,008,481
Accumulated depreciation	( 793,676)	( 2,259,108)	( 38,747)	( 5,852)	( 297,491)	( 252,101)	-	( 3,646,975)
	<u>\$ 2,004,418</u>	<u>\$ 3,165,408</u>	<u>\$ 34,560</u>	<u>\$ 5,384</u>	<u>\$ 17,768</u>	<u>\$ 401,741</u>	<u>\$ 2,732,227</u>	<u>\$ 8,361,506</u>

1. From January 1 to March 31, 2024, and 2023, no interest was capitalized.
2. The major components of the Group's houses and buildings include land, buildings and factory renovation projects. Except for land, they are depreciated for 5 to 56 years.
3. Information on property, plant and equipment pledged to others as collateral is provided in Note 8.
4. The abovementioned property, plant and equipment of the Group are for self-use.

(VIII) Leasing arrangements - lessee

1. The underlying assets leased by the Group include land, buildings and company vehicles. Leasing contracts are typically made for periods of 3 to 20 years. Lease contracts are negotiated separately and include a variety of terms and conditions. There are no restrictions for the leased assets, except that they cannot be used as loan collaterals.
2. The lease periods of other equipment leased by the Group did not exceed 12 months.
3. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
	<u>Book value</u>	<u>Book value</u>	<u>Book value</u>
Land	\$ 479,448	\$ 481,191	\$ 500,473
Buildings and structures	19,226	18,226	11,033
Transportation equipment (company vehicles)	12,922	15,407	14,418
Other equipment	38,982	39,806	42,041
	<u>\$ 550,578</u>	<u>\$ 554,630</u>	<u>\$ 567,965</u>

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
	<u>Depreciation</u>	<u>Depreciation</u>
Land	\$ 6,501	\$ 6,427
Buildings and structures	3,419	4,083
Transportation equipment (company vehicles)	3,037	2,740
Other equipment	824	780
	<u>\$ 13,781</u>	<u>\$ 14,030</u>

4. For the three months ended on March 31, 2024, and 2023, the increase (decrease) in right-of-use assets were \$9,729 and \$22,545, respectively.
5. The information on profit or loss items related to lease contracts is as follows:

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
<u>Items affecting current profit and loss</u>		
Interest expenses on lease liabilities	\$ 1,878	\$ 1,851
Expenses for short-term lease contracts	524	673
Lease of low-value assets	3,348	1,334
Gain on lease modifications	868	-

6. For the nine months ended March 31, 2024, and 2023, the Group's total cash outflow for leases were \$18,618 and \$13,117, respectively.

7. Options to extend or terminate leases

In determining lease terms, the Group takes into consideration all facts and circumstances that create economic incentives to exercise an option to extend or terminate leases. The assessment of lease period is reviewed if a significant event occurs which affects the assessment of options to extend or options not to terminate.

(IX) Leasing arrangements - lessor

1. The Group leases out assets such as buildings. The lease contracts are typically made for periods of 1 to 2 years. The terms of lease contracts are negotiated separately and include various terms and conditions. In order to preserve the condition of leased assets, the Group usually requires lessees not to pledge the underlying leased assets.
2. For the three months ended March 31, 2024, and 2023, the Group recognized rental income of \$5,156 and \$5,183, respectively, based on operational lease agreements, for which no variable lease payments were made.
3. The maturity analysis of the undiscounted lease payments under the operating leases is as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
2023	\$ -	\$ -	\$ 10,503
2024	<u>12,701</u>	<u>16,674</u>	<u>524</u>
	<u>\$ 12,701</u>	<u>\$ 16,674</u>	<u>\$ 11,027</u>

(X) Real estate investment

	<u>Buildings and structures</u>
January 1, 2024	
Cost	\$ 192,176
Accumulated depreciation	<u>( 21,676)</u>
	<u>\$ 170,500</u>
<u>2024</u>	
January 1	\$ 170,500
Depreciation	<u>( 848)</u>
March 31	<u>\$ 169,652</u>
March 31, 2024	
Cost	\$ 192,176
Accumulated depreciation	<u>( 22,524)</u>
	<u>\$ 169,652</u>

	<u>Buildings and structures</u>
January 1, 2023	
Cost	\$ 185,942
Accumulated depreciation	<u>( 15,596)</u>
	<u>\$ 170,346</u>
<u>2023</u>	
January 1	\$ 170,346
Depreciation	<u>( 818)</u>
March 31	<u>\$ 169,528</u>
March 31, 2023	
Cost	\$ 185,942
Accumulated depreciation	<u>( 16,414)</u>
	<u>\$ 169,528</u>

1. Rental income and direct operating expenses of investment real estate:

	<u>January 1 to March 31,</u> <u>2024</u>	<u>January 1 to March 31,</u> <u>2023</u>
Rental income from investment property	<u>\$ 4,409</u>	<u>\$ 4,235</u>
Direct operating expenses incurred by investment property that generates rental income for the period	<u>\$ 867</u>	<u>\$ 792</u>

2. The fair value of investment property held by the Group as of March 31, 2024, December 31, 2023 and March 31, 2023 were \$159,782, \$160,853, and \$124,212, respectively, which were measured using income approach and were classified as Level 3 fair value with the following key assumptions:

	<u>March 31, 2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31, 2023</u>
Discount rate	3.30%~5.64%	3.75%~5.56%	1.96%~4.23%
Annual rent (net income)	\$ 15,490	\$ 19,092	\$ 5,261
Number of years	31~56	45~50	45~50

3. For the three months ended on March 31, 2024, and 2023, no interest was capitalized.
4. As of March 31, 2024, December 31, 2023 and March 31, 2023, the investment property was pledged as collaterals, please refer to Note 8.

(XI) Intangible assets

	<u>2024</u>					
	<u>Trademark and</u>	<u>Computer</u>	<u>Patents</u>	<u>Others</u>	<u>Goodwill</u>	<u>Total</u>
	<u>concession</u>	<u>software</u>				
January 1						
Cost	\$280,614	\$139,950	\$149,599	\$33,333	\$295,626	\$899,122
Accumulated amortization and impairments	<u>( 79,082)</u>	<u>( 84,083)</u>	<u>( 4,222)</u>	<u>-</u>	<u>-</u>	<u>(167,387)</u>
	<u>\$201,532</u>	<u>\$55,867</u>	<u>\$145,377</u>	<u>\$33,333</u>	<u>\$295,626</u>	<u>\$731,735</u>
January 1	\$201,532	\$55,867	\$145,377	\$33,333	\$295,626	\$731,735
Add - Cost	-	308	2,800	-	-	3,108
Amortization expense	<u>( 7,108)</u>	<u>( 7,529)</u>	<u>( 9,177)</u>	<u>( 6,251)</u>	<u>-</u>	<u>( 30,065)</u>
Goodwill impairment loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 27,390)</u>	<u>( 27,390)</u>
March 31	<u>\$194,424</u>	<u>\$48,646</u>	<u>\$139,000</u>	<u>\$27,082</u>	<u>\$268,236</u>	<u>\$677,388</u>
March 31						
Cost	\$280,614	\$140,258	\$152,399	\$33,333	\$295,626	\$902,230
Accumulated amortization and impairments	<u>( 86,190)</u>	<u>( 91,612)</u>	<u>( 13,399)</u>	<u>( 6,251)</u>	<u>( 27,390)</u>	<u>(224,842)</u>
	<u>\$194,424</u>	<u>\$48,646</u>	<u>\$139,000</u>	<u>\$27,082</u>	<u>\$268,236</u>	<u>\$677,388</u>



	<u>2023</u>					
	<u>Trademark</u>	<u>Computer</u>				
	<u>and</u>	<u>software</u>	<u>Patents</u>	<u>Others</u>	<u>Goodwill</u>	<u>Total</u>
	<u>concession</u>					
January 1						
Cost	\$272,017	\$114,747	\$ 9,592	\$ -	\$220,774	\$617,130
Accumulated amortization and impairments	( 47,408)	( 64,846)	( 7,696)	-	-	(119,950)
	<u>\$224,609</u>	<u>\$49,901</u>	<u>\$ 1,896</u>	<u>\$ -</u>	<u>\$220,774</u>	<u>\$497,180</u>
January 1	\$224,609	\$49,901	\$ 1,896	\$ -	\$220,774	\$497,180
Consolidated transfer in	-	-	25,471	33,333	47,850	106,654
Reclassification	( 1,445)	1	1,444	-	-	-
Amortization expense	( 5,679)	( 4,333)	( 1,558)	-	-	( 11,570)
March 31	<u>\$217,485</u>	<u>\$45,569</u>	<u>\$27,253</u>	<u>\$33,333</u>	<u>\$268,624</u>	<u>\$592,264</u>
March 31						
Cost	\$267,196	\$152,939	\$39,426	\$33,333	\$268,624	\$761,581
Accumulated amortization and impairments	( 49,711)	(107,370)	( 12,173)	-	-	(169,254)
	<u>\$217,485</u>	<u>\$45,569</u>	<u>\$27,253</u>	<u>\$33,333</u>	<u>\$268,624</u>	<u>\$592,264</u>

Due to business mergers, as detailed in Note 6(31), the Group's goodwill increased by \$0 and \$47,850 for the nine months ended March 31, 2024 and 2023.

(XII) Other Non-Current Assets

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Prepayments for equipment	\$ 621,275	\$ 422,444	\$ 669,336
Refundable Deposit	90,917	90,526	63,364
Others	1,622	1,669	1,899
Total	<u>\$ 713,814</u>	<u>\$ 514,639</u>	<u>\$ 734,599</u>

(XIII) Short Term Loans

<u>Type of borrowings</u>	<u>March 31, 2024</u>	<u>Range of interest rate</u>	<u>Collateral</u>
Bank borrowings			
Credit loan	\$ 2,086,422	0.84%~4.09%	None
Secured borrowings	4,271,315	1.25%~4.01%	Certificates of deposit, reserve accounts, stocks of listed and OTC companies and treasury stock
Other borrowings			
Credit loan	<u>60,000</u>	2.70%	None
	<u>\$ 6,417,737</u>		
<u>Type of borrowings</u>	<u>December 31, 2023</u>	<u>Range of interest rate</u>	<u>Collateral</u>
Bank borrowings			
Credit loan	\$ 1,657,862	0.88%~4.01%	None
Secured borrowings	3,741,508	1.20%~4.71%	Certificates of deposit, reserve accounts (Note), stocks of listed and OTC companies and treasury stock
Other borrowings			
Credit loan	<u>30,000</u>	2.70%	None
	<u>\$ 5,429,370</u>		
<u>Type of borrowings</u>	<u>March 31, 2023</u>	<u>Range of interest rate</u>	<u>Collateral</u>
Bank borrowings			
Credit loan	\$ 2,050,349	1.62%~4.00%	None
Secured borrowings	3,523,512	1.69%~2.81%	Certificates of deposit, reserve accounts, stocks of listed and OTC companies and treasury stock
	<u>-</u>		
	<u>\$ 5,573,861</u>		

Interest expense recognized in profit or loss was \$32,487 and \$27,401 for the three months ended March 31, 2024, and 2023, respectively.

Note: The responsible person of the subsidiary is the joint guarantor.

(XIV) Other Payables

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Payable on machinery and equipment	\$ 557,041	\$ 498,861	\$ 808,417
Dividends payable	373,477	-	604,903
Remunerations payable to employees and directors	178,705	94,305	165,158
Payroll and bonus payable	117,577	153,545	65,229
Machine maintenance payable	44,005	44,906	13,981
Others	376,716	413,536	323,665
	<u>\$ 1,647,521</u>	<u>\$ 1,205,153</u>	<u>\$ 1,981,353</u>

(XV) Corporate bonds payable

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Corporate bonds payable	\$ 3,800,000	\$ 3,800,000	\$ 3,000,000
Less: Amount of exercised conversion options	( 324,400)	( 324,400)	( 324,400)
Less: Discount on corporate bonds payable	( 46,308)	( 51,000)	( 62,043)
	3,429,292	3,424,600	2,613,557
Less: Corporate bonds matured in one year or a business cycle or have the put option exercised	-	-	-
	<u>\$ 3,429,292</u>	<u>\$ 3,424,600</u>	<u>\$ 2,613,557</u>

1. The terms of issuance for the Group's 3rd domestic unsecured convertible bonds are as follows:
  - (1) The Group has been approved by the competent authority to raise and issue \$2,000,000 of the 3rd domestic unsecured convertible bonds, with a coupon rate of 0% and an issuance period of 5 years from August 3, 2021 to August 3, 2026. The convertible bonds are repayable in cash at par value on maturity. The convertible bonds were listed for trading on August 3, 2021.
  - (2) The bondholders may request the conversion of the convertible bonds into the Group's common shares at any time from the day after the expiration of three months from the date of issuance of the corporate bonds to the maturity date, except during the period when the transfer of the corporate bonds is suspended in accordance with the regulations or laws, and the rights and obligations of the converted common shares are the same as those of the original issued common shares.
  - (3) The conversion price of the convertible bonds is determined in accordance with the pricing model stipulated in the Measures, and the conversion price will be adjusted in accordance with the pricing model stipulated in the Conversion Measures in the

event that the Group is subject to anti-dilution provisions. The conversion price will be reset on the base date set by the Regulations in accordance with the pricing model stipulated in the Conversion Measures. As of March 31, 2024, the conversion price was NT\$82.4 per share.

- (4) If the closing price of the Company's common stock exceeds 30% of the then conversion price for 30 consecutive business days from the day following the third month of the issuance of the convertible bonds to the 40th business day prior to the expiration of the issuance period, the Company may redeem the outstanding corporate bonds within the next 30 business days at the par value of the corporate bonds in cash.
  - (5) If the outstanding balance of the convertible bonds is less than 10% of the total par value of the corporate bonds issued, the Company may redeem the convertible bonds at any time thereafter for cash at the par value of the corporate bonds, from the day following the third month of the issuance of the corporate bonds to the 40th business day prior to the expiration of the issuance period.
  - (6) As of March 31, 2024, a total amount of NT\$324,400 had been converted into 3,733 thousand shares of common stock.
2. Upon issuance of convertible bonds, the Group separated the conversion options from the components of liabilities in accordance with IAS 32, "Financial Instruments: Presentation," and recorded "capital surplus - stock options" at \$406,616. The embedded repurchase and repurchase rights are separated from the principal contractual debt instruments in accordance with IFRS 9, "Financial Instruments", because they are not closely related to the economic characteristics and risks of the principal contractual debt instruments, and are recorded as "financial assets or liabilities at fair value through profit or loss" on a net basis. The effective interest rate of the master contract debt after the separation was 0.0902%.

### 3. First series domestic secured corporate bonds

In order to raise the Group's working capital, the board of directors resolved to approve on August 5, 2022 the issue of the first series domestic secured corporate bond. The issue has been reported to and approved by the Taipei Exchange, and the terms are as follows:

- (1) Total amount of issue: According to the different issue conditions, there are two types of bonds, A and B, of which A is issued with an amount of \$300,000, and B is issued with an amount of \$200,000, totaling \$500,000.
- (2) Issue period: Five years, issued on September 28, 2022, and matured on September 28, 2027.
- (3) Coupon rate and repayment method of principal and interest: Both Bond A and Bond B have a fixed annual coupon rate of 1.80%. Simple interest is calculated and paid once a year, and the principal is repaid in cash at the face value of the bond at maturity.
- (4) Guarantee method: The Company's bonds are guaranteed by the joint delegation guarantee contract signed and the obligation and the contract of guarantee for the performance of corporate bonds signed by major banks.

### 4. Second series domestic secured convertible corporate bonds

In order to raise the Group's working capital, the board of directors resolved to approve on August 5, 2022 the issue of the second series domestic secured convertible corporate bond. The issue has been reported to and approved by the Taipei Exchange, and the terms are as follows:

- (1) Total amount of issue: According to the different issue conditions, there are two types of bonds, A and B, of which A is issued with an amount of \$200,000, and B is issued with an amount of \$300,000, totaling \$500,000.
  - (2) Issue period: Five years, issued on December 27, 2022, and matured on December 27, 2027.
  - (3) Coupon rate and repayment method of principal and interest: Bond A has a fixed annual coupon rate of 2.20% and Bond B has a fixed annual coupon rate of 2.38%. Simple interest is calculated and paid once a year, and the principal is repaid in cash at the face value of the bond at maturity.
  - (4) Guarantee method: The Company's bonds are guaranteed by the joint delegation guarantee contract signed and the obligation and the contract of guarantee for the performance of corporate bonds signed by major banks.
5. Third series domestic secured convertible corporate bonds
- In order to raise the Group's working capital, the board of directors resolved to approve on August 4, 2023 the issue of the third series domestic secured convertible corporate bond. The issue has been reported to and approved by the Taipei Exchange, and the terms are as follows:
- (1) Total amount issued: NT\$300,000 in total.
  - (2) Issuance period: Five years from issuance on August 28, 2023 to expiration on August 28, 2028.
  - (3) Coupon rate and method of repayment of principal and interest: The coupon rate is a fixed interest rate of 1.62% per annum, and the simple interest is calculated once a year. At maturity, the principal is repaid in cash based on the face value of the bond.
  - (4) Guarantee method: The Company's bonds are guaranteed by the joint delegation guarantee contract signed and the obligation and the contract of guarantee for the performance of corporate bonds signed by major banks.
6. Fourth series domestic secured convertible corporate bonds
- In order to raise the Group's working capital, the board of directors resolved to approve on August 4, 2023 the issue of the fourth series domestic secured convertible corporate bond. The issue has been reported to and approved by the Taipei Exchange, and the terms are as follows:
- (1) Total amount issued: NT\$500,000 in total.
  - (2) Issuance period: Five years from issuance on December 12, 2023 to expiration on December 12, 2028.
  - (3) Coupon rate and method of repayment of principal and interest: The coupon rate is a fixed interest rate of 1.8% per annum, and the simple interest is calculated once a year. At maturity, the principal is repaid in cash based on the face value of the bond.
  - (4) Guarantee method: The Company's bonds are guaranteed by the joint delegation guarantee contract signed and the obligation and the contract of guarantee for the performance of corporate bonds signed by major banks.

(XVI) Long-term Loans

<u>Type of borrowings</u>	<u>Borrowing period and payment method</u>	<u>Range of interest rate</u>	<u>Collateral</u>	<u>March 31, 2024</u>
Long-term bank borrowings				
Secured borrowings	From December 28, 2022 to December 28, 2032, to be repaid in installments and installments over the agreed period	2.32%~2.55 %	Houses and buildings and investment property	\$ 982,895
Secured borrowings	From December 28, 2021 to January 28, 2027, repayable in portions and in installments during the term specified in the agreement	2.68%	Houses and buildings, machinery equipment and investment property	750,000
Secured borrowings	From July 26, 2023 to July 25, 2028, to be repaid in installments and installments over the agreed period	2.45%~2.55 %	Plant and land	127,599
Secured borrowings	From January 5, 2021 to July 5, 2028, to be repaid in installments and installments over the agreed period	2.25%~4.33 %	Machinery and equipment	962,907
Credit loan	From January 24, 2022 to January 24, 2027, to be repaid in installments and installments over the agreed period	3.00%	None (Note)	5,828
Other long-term borrowings				
Secured borrowings	From March 25, 2021 to March 28, 2029, to be repaid in installments and installments over the agreed period	2.45%~8.20 %	Machinery and equipment	660,851

<u>Type of borrowings</u>	<u>Borrowing period and payment method</u>	<u>Range of interest rate</u>	<u>Collateral</u>	<u>March 31, 2024</u>
Secured borrowings	From June 10, 2022 to July 28, 2028, to be repaid in installments and installments over the agreed period	2.26%~5.25 %	Houses, buildings, machinery and equipment, and land	385,037
Credit loan	From December 30, 2021 to December 29, 2025, to be repaid in installments and installments over the agreed period	4.19%~7.80 %	None	253,395
				-
				4,128,512
Less: Long-term borrowings due within one year or one business cycle				( 1,171,206)
				<u>\$ 2,957,306</u>

<u>Type of borrowings</u>	<u>Borrowing period and payment method</u>	<u>Range of interest rate</u>	<u>Collateral</u>	<u>March 31, 2023</u>
Long-term bank borrowings				
Secured borrowings	From December 27, 2021 to December 27, 2032, to be repaid in installments and installments over the agreed period	2.20%~2.55 %	Houses and buildings and investment property	\$ 1,005,263
Secured borrowings	From January 28, 2022 to January 28, 2027, repayable in portions and in installments during the term specified in the agreement	2.55%	Houses and buildings, machinery equipment and investment property	1,000,000
Secured borrowings	From July 26, 2023 to July 25, 2028, to be repaid in installments and installments over the agreed period	2.45%~2.55 %	Plant and land	127,600
Secured borrowings	From June 12, 2018 to July 5, 2028, to be repaid in installments and installments over the agreed period	2.25%~4.33 %	Machinery and equipment	983,360
Credit loan	From January 24, 2022 to January 24, 2027, to be repaid in installments and installments over the agreed period	1.50%~3.00 %	None (Note)	6,318
Other long-term borrowings				
Secured borrowings	From March 25, 2021 to July 29, 2027, to be repaid in installments and installments over the agreed period	2.45%~8.20 %	Machinery and equipment	610,369



<u>Type of borrowings</u>	<u>Borrowing period and payment method</u>	<u>Range of interest rate</u>	<u>Collateral</u>	<u>March 31, 2023</u>
Secured borrowings	From June 10, 2022 to June 28, 2028, to be repaid in installments and installments over the agreed period	3.53%~6.48 %	Houses, buildings, machinery and equipment, and land	393,143
Credit loan	From December 30, 2021 to June 30, 2025, to be repaid in installments and installments over the agreed period	4.19%~7.80 %	None	216,503
				-
				4,342,556
Less: Long-term borrowings due within one year or one business cycle				( 1,216,216)
				<u>\$ 3,126,340</u>

<u>Type of borrowings</u>	<u>Borrowing period and payment method</u>	<u>Range of interest rate</u>	<u>Collateral</u>	<u>March 31, 2023</u>
Long-term bank borrowings				
Secured borrowings	From December 28, 2021 to January 28, 2027, repayable in portions and in installments during the term specified in the agreement	2.55%	Houses and buildings, machinery equipment and investment property	\$ 1,000,000
Secured borrowings	From June 15, 2020 to December 9, 2027, repayable in portions and in installments during the term specified in the agreement	2.225%~2.595%	Buildings and structures	250,122
Secured borrowings	From June 27, 2018 to December 25, 2026, repayable in portions and in installments during the term specified in the agreement	2.150%~3.250%	Machinery and equipment	1,037,641

<u>Type of borrowings</u>	<u>Borrowing period and payment method</u>	<u>Range of interest rate</u>	<u>Collateral</u>	<u>March 31, 2023</u>
Secured borrowings	From December 28, 2022 to December 27, 2032, repayable in portions and in installments during the term specified in the agreement	2.195%	Houses and buildings and investment property	850,000
Secured borrowings	From January 24, 2022 to January 24, 2027, monthly interest payments with principle and interest	1.500%~2.875%	None (Note)	7,769
Other long-term borrowings				
Secured borrowings	Repayment of principal in monthly installments from October 29, 2021 to September 16, 2028	4.110%	Machinery and equipment	74,941
Secured borrowings	Repayment of principal and interest in monthly installments from March 25, 2022 to July 29, 2027	2.450%~8.200%	Machinery and equipment	79,559
Credit loan	December 30, 2021 to April 30, 2024, the interest is paid together with the principal.	7.61%	None	12,050
Secured borrowings	Repayment of principal and interest in monthly installments from June 10, 2022 to July 25, 2027	4.460%~7.00%	Machinery and equipment	225,067
Secured borrowings	Repayment of principal and interest in monthly installments from January 22, 2023 to December 22, 2025	4.750%	Plant and land	18,518
				-
				3,555,667
Less: Long-term borrowings due within one year or one business cycle				( 645,604)
				<u>\$ 2,910,063</u>

Note: The responsible person of the subsidiary is the joint guarantor.

(XVII) Pensions

1. (1) The Company and its domestic subsidiaries operate a defined benefit pension plan in accordance with the Labor Standards Act, which cover 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 Labor Standards Act. 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 six months prior to retirement. The Company and its domestic subsidiaries contribute a monthly amount equal to 2% of employees' monthly salaries and wages to a retirement fund at the Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contribution for the deficit by the end of next March.
  - (2) For the three months ended March 31, 2024, and 2023, the pension costs under defined contribution pension plans of the Group were \$533 and \$533, respectively.
  - (3) The expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2025 are \$2,133.
2. (1) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (hereinafter referred to as the "New Plan") under the Labor Pension Act (hereinafter referred to as the "Act"), covering all regular employees with domestic citizenship. Under the New Plan, the Company and its domestic subsidiaries contribute an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
  - (2) For the three months ended March 31, 2024, and 2023, the pension costs under defined contribution pension plans of the Group were \$12,560 and \$12,392, respectively.

(XVIII) Capital

1. As of March 31, 2024, the Company's authorized capital was NT\$5,000,000, consisting of 500,000 thousand shares (including 20,000 thousand shares which can be subscribed to as employee stock options). The paid-in capital was NT\$2,564,465 with a par value of NT\$10. All proceeds from shares issued have been collected.

The movements in the number of the Company's common stocks outstanding are as follows:

	<u>2024</u>	<u>2023</u>
January 1	213,153	205,230
Subsidiaries donated treasury stock	<u>500</u>	<u>-</u>
March 31	<u><u>213,653</u></u>	<u><u>205,230</u></u>

2. Treasury stock

- (1) Reasons for repurchase of shares and changes in the quantity:

<u>Company name of the shareholding</u>	<u>Reasons for buyback</u>	<u>March 31, 2024</u>	
		<u>Number of shares (thousand)</u>	<u>Book value</u>
Subsidiary: Youe Chung Capital Corporation	Subsidiary holds the company's stock	35,331	\$ 502,776
The Company	Transfer shares to employees	<u>7,462</u>	<u>664,593</u>
		<u><u>42,793</u></u>	<u><u>\$1,167,369</u></u>

<u>Company name of the shareholding</u>	<u>Reasons for buyback</u>	<u>December 31, 2023</u>	
		<u>Number of shares (thousand)</u>	<u>Book value</u>
Subsidiary: Youe Chung Capital Corporation	Subsidiary holds the company's stock	35,831	\$ 509,891
The Company	Transfer shares to employees	<u>7,462</u>	<u>664,593</u>
		<u><u>43,293</u></u>	<u><u>\$1,174,484</u></u>

<u>Company name of the shareholding</u>	<u>Reasons for buyback</u>	<u>March 31, 2023</u>	
		<u>Number of shares (thousand)</u>	<u>Book value</u>
Subsidiary: Youe Chung Capital Corporation	Subsidiary holds the company's stock	36,731	\$ 522,698
The Company	Transfer shares to employees	<u>14,485</u>	<u>1,256,281</u>
		<u>51,216</u>	<u>\$1,778,979</u>

- (2) For the three months ended March 31, 2024, and 2023, the Group's share-based payment arrangements were as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract Period</u>	<u>Vesting conditions</u>
Transfer of treasury shares to employees	2022.01.26	4,485	Immediate vesting	Note
Transfer of treasury shares to employees	2023.04.19	10,000	Immediate vesting	Note

Note: The Company grants treasury stocks to employees of the Company and its subsidiaries.

- (3) For the three months ended March 31, 2024, and 2023, the Group incurred compensation costs of \$0 and \$0, respectively, related to the transfer of treasury stocks.
- (4) The Securities and Exchange Act stipulates that the percentage of the Company's repurchase of outstanding shares shall not exceed 10% of the Company's total issued shares, and the total value of shares purchased shall not exceed the retained earnings plus the premium of issued shares and the amount of realized capital reserve.
- (5) The treasury stocks bought back by the Company in accordance with the Securities and Exchange Act shall not be pledged. Before transfer, shareholders are not entitled to the shareholders' rights.
- (6) According to the provisions of the Securities and Exchange Act, the share repurchased to be transferred to employees shall be transferred within 5 years from the date of the purchase. If the transfer is not made within the time limit, the shares are deemed as unissued shares, and change of registration shall be made to cancel the shares. In order to maintain the Company's credit and shareholders equity, the shares bought back should have the registration changed to cancel the shares within six months from the date of the purchase.
- (7) The Company's stock held by the subsidiary Youe Chung Capital is treated as treasury stock. As of March 31, 2024, December 31, 2023 and March 31, 2023, Youe Chung Capital Corporation held 35,331 thousand shares, 35,831 thousand shares, and 36,731 thousand shares of the Company, with an average book value of \$14.23 per share, and a fair value of \$68.0, \$71.1, and \$92.5 per share, respectively. The cost of transferring

treasury stocks is calculated based on the book value of the Company's stock held by Youe Chung Capital and the Company's indirect shareholding during each period.

- (8) On November 3, 2021, the Board of Directors resolved to purchase 6,000 thousand shares of the Company's stock in the centralized trading market and transfer them to employees. This amount represented 2.37% of the total number of issued shares of the Company. The repurchase of 4,485 thousand shares was completed between November 4, 2021 and January 3, 2022. On January 21, 2022, the Board of Directors approved the transfer of 4,485 thousand shares to employees.
- (9) On May 6, 2022, the Board of Directors resolved to purchase 10,000 thousand shares of the Company's stock in the centralized trading market and transfer them to employees. This amount represented 3.91% of the total number of issued shares of the Company. The repurchase of 10,000 thousand shares was completed between May 9, 2022 and July 8, 2022. On April 14, 2023, the Board of Directors approved the transfer of 10,000 thousand shares to employees, of which 7,023 shares were transferred to employees in June 2023.

(XIX) Capital surplus

In accordance with the Company Act, any capital surplus arising from paid-in capital in excess of the 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 Securities and Exchange Act requires that the amount of capital surplus to be capitalized, as above, should not exceed 10% of paid-in capital each year. Capital reserves should not be used to cover accumulated deficit unless the legal reserve is insufficient. The following is a breakdown of the capital reserve:

	<u>Issue premiums</u>	<u>Trading of treasury stock</u>	<u>Changes in ownership interests in subsidiaries recognized</u>	<u>Stock option</u>	<u>Equity changes in affiliates</u>	<u>Others</u>	<u>Total</u>
January 1, 2024	\$44,148	\$859,338	\$ 154,097	\$295,848	\$ 82,220	\$4,308	\$1,439,959
Changes in ownership interests in subsidiaries recognized	-	-	786	-	-	-	786
March 31, 2024	<u>\$44,148</u>	<u>\$859,338</u>	<u>\$ 154,883</u>	<u>\$295,848</u>	<u>\$ 82,220</u>	<u>\$4,308</u>	<u>\$1,439,959</u>
			<u>Changes in ownership interests in subsidiaries recognized</u>		<u>Equity changes in affiliates</u>		
January 1, 2023	\$96,650	\$768,509	\$ 17,788	\$295,848	\$ 68,427	\$4,459	\$1,251,681
Distribution of cash from capital surplus	( 48,392)	-	-	-	-	-	( 48,392)
Payment of overdue unclaimed dividends to shareholders	-	-	-	-	-	( 6)	( 6)
March 31, 2023	<u>\$48,258</u>	<u>\$768,509</u>	<u>\$ 17,788</u>	<u>\$295,848</u>	<u>\$ 68,427</u>	<u>\$4,453</u>	<u>\$1,203,283</u>

(XX) Retained earnings

1. According to the Articles of Incorporation, any surplus from profit concluded at the end of year by the Company is first subject to reimbursement of previous losses and payment of taxes, followed by 10% provision for legal reserve and provision or reversal of special reserve as the laws may require. Any earnings remaining shall be distributed as shareholders' dividends in whole or partially.
2. The Company takes into account the overall business environment, industrial growth, and the Company's long-term financial planning for stable operation and development to adopt a residual dividend policy, which is mainly based on the Company's future capital budgeting plan to measure the annual capital needs. After using the retained earnings for funding, the remaining surplus will be distributed in the form of dividends, and the distribution steps are shown as follows:
  - (1) Decide on the best capital budgeting.
  - (2) Decide on the financing required for one of the capital budgeting items.
  - (3) Decide on the amount of the financing to be supported by retained earnings (methods such as cash capital increase or corporate bonds and so on can be adopted as support).
  - (4) After retaining the portion required for operation needs out of the earnings remainder, the rest should be distributed to shareholders in the form of dividends. Cash dividends distribution proportion should not be lower than 20% of the total amount of dividends for the distribution proportion of the Company's dividends.
3. 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 the 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.
4. 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.
5. The Company's Board meeting resolved on March 6, 2024 to distribute a cash dividend of NT\$1.5 per common share from the 2023 earnings, with a total dividend of NT\$373,477.
6. The Company's board of directors resolved on May 24, 2023 to distribute a cash dividend of NT\$2.30 per ordinary share from the 2022 surplus with a total dividend of NT\$556,511. NT\$0.20 per share is to be distributed from the capital surplus, with a total of NT\$48,392. In addition, as the Company implemented the transfer of 7,023 thousand shares of treasury stock to employees, which changed the number of outstanding shares to 248,984 thousand shares, so the cash dividend was adjusted to \$572,665 to be distributed from the capital surplus of \$49,797.

(XXI) Other equity interests

	<u>2024</u>	<u>Hedging</u>	<u>Foreign currency</u>	<u>Total</u>
	<u>Unrealized gains</u>	<u>reserve</u>	<u>translation</u>	
	<u>and losses</u>			
January 1	(\$ 2,666)		\$ 4,307	\$ 1,641
Difference in foreign currency translation:				
- Group	-		9,980	9,980
March 31	<u>(\$ 2,666)</u>		<u>\$ 14,287</u>	<u>\$ 11,621</u>

	<u>2023</u>	<u>Foreign currency</u>	<u>Total</u>
	<u>Unrealized gains and</u>	<u>translation</u>	
	<u>losses</u>		
January 1	(\$ 2,666)	\$ 13,174	\$ 10,508
Difference in foreign currency translation:			
- Group	-	2,162	2,162
March 31	<u>(\$ 2,666)</u>	<u>\$ 15,336</u>	<u>\$ 12,670</u>

(XXII) Operating income

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Revenue from contracts with customers	<u>\$ 1,850,048</u>	<u>\$ 1,563,590</u>

1. Segmentation of revenue from contracts with customers

The Corporate Group derives its revenue from the transfer of goods and services either over time or at a point in time. The revenue can be divided into the following main product lines:

	<u>Photomask and</u>	<u>Medical segment</u>	<u>Total</u>
	<u>semiconductor</u>		
	<u>segment</u>		
<u>January 1 to March 31, 2024</u>			
Revenue from contracts with external customers	<u>\$ 1,815,538</u>	<u>\$ 34,510</u>	<u>\$ 1,850,048</u>
Cut-off point of income recognition			
Income recognized at a particular point in time	\$ 693,329	\$ 34,510	\$ 727,839
Income recognized gradually over time	<u>1,122,209</u>	<u>-</u>	<u>1,122,209</u>
	<u>\$ 1,815,538</u>	<u>\$ 34,510</u>	<u>\$ 1,850,048</u>



<u>January 1 to March 31, 2023</u>	<u>Photomask and semiconductor segment</u>	<u>Medical segment</u>	<u>Total</u>
Revenue from contracts with external customers	<u>\$ 1,541,794</u>	<u>\$ 21,796</u>	<u>\$ 1,563,590</u>
Cut-off point of income recognition			
Income recognized at a particular point in time	\$ 509,673	\$ 21,796	\$ 531,469
Income recognized gradually over time	<u>1,032,121</u>	<u>-</u>	<u>1,032,121</u>
	<u>\$ 1,541,794</u>	<u>\$ 21,796</u>	<u>\$ 1,563,590</u>

## 2. Contract Asset and Contract Liability

- (1) The Group has recognized the following revenue-related contract assets and contract liabilities:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>	<u>January 1, 2023</u>
Contract Assets	<u>\$ 83,670</u>	<u>\$ 105,263</u>	<u>\$ 116,842</u>	<u>\$ 140,231</u>
Contract Liabilities	<u>\$ 164,830</u>	<u>\$ 174,538</u>	<u>\$ 178,788</u>	<u>\$ 232,778</u>

- (2) Contract liabilities at the beginning of the period recognized as revenue of the period:

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Opening balance of contract liabilities recognized in the current period	<u>\$ 113,371</u>	<u>\$ 230,589</u>

## (XXIII) Interest income

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Interest from bank deposits	\$ 4,914	\$ 7,751
Interest income from financial assets measured at amortized cost	2,564	1,978
Other interest incomes	<u>84</u>	<u>37</u>
	<u>\$ 7,562</u>	<u>\$ 9,766</u>

(XXIV) Other Incomes

	<u>January 1 to March 31,</u> <u>2024</u>	<u>January 1 to March 31,</u> <u>2023</u>
Rental income	\$ 5,156	\$ 5,183
Other income - Others	<u>3,288</u>	<u>5,061</u>
	<u>\$ 8,444</u>	<u>\$ 10,244</u>

(XXV) Other Gains and Losses

	<u>January 1 to March 31,</u> <u>2024</u>	<u>January 1 to March 31,</u> <u>2023</u>
Disposal of interests in property, plant and equipment	\$ 14,117	\$ 57
Gain (loss) on disposal of investments	-	64,164
Gain on lease modifications	868	-
Foreign currency exchange losses (gains)	35,825	( 6,382)
Gains on financial assets and liabilities measured at fair value through profit or loss	698,087	24,058
Goodwill impairment loss	( 27,390)	-
Other losses -- Depreciation of investment properties	( 848)	( 818)
Other Gains and Losses	<u>( 883)</u>	<u>( 2,676)</u>
	<u>\$ 719,776</u>	<u>\$ 78,403</u>

(XXVI) Financial Costs

	<u>January 1 to March 31,</u> <u>2024</u>	<u>January 1 to March 31,</u> <u>2023</u>
Interest expenses:		
Bank and other borrowings	\$ 63,978	\$ 50,978
Convertible bonds	13,292	4,513
Lease liabilities	1,878	1,851
Others	<u>57</u>	<u>-</u>
	<u>\$ 79,205</u>	<u>\$ 57,342</u>

(XXVII) Expenses by nature

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Employee benefits expenditure	\$ 376,468	\$ 303,369
Depreciation	307,621	199,199
Amortization	30,065	11,570

(XXVIII) Employee benefits expenditure

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Payroll expenses	\$ 325,832	\$ 255,282
Labor and health insurance fees	22,865	21,684
Pension expense	13,093	12,925
Other personnel expenses	<u>14,678</u>	<u>13,478</u>
	<u>\$ 376,468</u>	<u>\$ 303,369</u>

1. According to the Articles of Incorporation, the Company shall distribute not less than 10% of the current year's profit situation for employee remuneration and not more than 2% of current year's profit situation for director remuneration. However, profits must first be taken to offset against cumulative losses, if any.
2. For the three months ended March 31, 2024, and 2023, the estimated amount of employee remuneration was \$79,000 and \$30,000 respectively; the estimated amount of director remuneration was \$5,400 and \$4,500 respectively. The above-mentioned amount was recognized as salary expenses.

The remuneration of employees and directors for three months ended March 31, 2024, and 2023, were estimated in accordance with the Articles of Incorporation taking into account the annual profit.

The 2023 remuneration for employees, directors and supervisors as resolved by the Board of Directors are consistent with the amounts recognized in the 2023 financial statements.

Information about employees remuneration and director remuneration of the Company as resolved by the Board of Directors is available on the MOPS.

(XXIX) Income tax

1. Income tax expense

Components of income tax expense:

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Current tax:		
Current tax on profits for the year	\$ <u>38,338</u>	\$ <u>79,665</u>
Total current tax	<u>38,338</u>	<u>79,665</u>
Deferred income tax:		
Origination and reversal of temporary differences	( <u>1,885</u> )	<u>843</u>
Total Deferred Income Tax	( <u>1,885</u> )	<u>843</u>
Income Tax Expense	<u>\$ 36,453</u>	<u>\$ 80,508</u>

2. The Company's income tax returns through 2022 have been assessed and approved by the tax authority.

(XXX) Earnings per share

	<u>January 1 to March 31, 2024</u>		
	<u>Amount</u>	<u>Weighted average</u>	<u>Earnings per</u>
	<u>after tax</u>	<u>share outstanding</u>	<u>share (NTD)</u>
	<u>(thousand shares)</u>	<u>(thousand shares)</u>	<u>share (NTD)</u>
<u>Earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$674,209</u>	<u>213,301</u>	<u>\$ 3.16</u>
<u>Diluted Earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$674,209	213,301	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	3,531	20,335	
Employee remuneration	-	<u>1,989</u>	
Profit attributable to ordinary shareholders of the parent company plus assumed conversion of all dilutive potential ordinary shares	<u>\$677,740</u>	<u>235,625</u>	<u>\$ 2.88</u>

January 1 to March 31, 2023

	<u>Amount</u> <u>after tax</u>	<u>Weighted average</u> <u>share outstanding</u> <u>(thousand shares)</u>	<u>Earnings per</u> <u>share (NTD)</u>
<u>Earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$208,051</u>	<u>205,230</u>	<u>\$ 1.01</u>
<u>Diluted Earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$208,051	205,230	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	3,493	27,346	
Employee remuneration	<u>-</u>	<u>492</u>	
Profit attributable to ordinary shareholders of the parent company plus assumed conversion of all dilutive potential ordinary shares	<u>\$211,544</u>	<u>233,068</u>	<u>\$ 0.91</u>

The weighted average number of shares outstanding the three months ended March 31, 2024, and 2023, has deducted the number of shares held by the Company and the subordinate company Youe Chung Capital deemed as the Company's treasury stock (the number of shares is based on the Company's shareholding).

(XXXI) Business combination

1. The Group acquired 58.33% of shares of Pilot Battery Co., Ltd. on March 1, 2023 for \$178,500 through a cash capital increase and gained control over Pilot Battery Co.,Ltd.

(1) The fair value of the assets acquired and liabilities assumed from Pilot Battery Co., Ltd. at the date of acquisition and the non-controlling interest as a percentage of the acquiree's identifiable net assets at the date of acquisition were as follows:

	<u>March 1, 2023</u>
Acquisition consideration	
Cash	\$ 178,500
Share of non-controlling interests in the identifiable net assets of the acquiree	<u>114,059</u>
	<u>292,559</u>
Fair value of acquired identifiable assets and assumed liabilities	
Cash	189,429
Notes Receivables	84
Accounts Receivables	2,297
Inventories	35,488
Prepayments	2,543
Other Current Assets	1,951
Property, plant and equipment	129,538
Intangible assets	58,804
Deferred Income Tax Assets	5,678
Right-of-use Asset	3,148
Other Non-Current Assets	29,081
Short Term Loans	( 99,154)
Contract Liabilities	( 8,649)
Notes Payable	( 3,869)
Accounts Payable	( 17,157)
Lease liabilities	( 3,148)
Other Payables	( 7,496)
Other Current Liabilities	( 568)
Long-term Loans	( 31,140)
Deferred Income Tax.	( 13,140)
Total identifiable net assets	<u>273,720</u>
Goodwill	<u>\$ 18,839</u>

(2) Non-controlling interest is measured by the proportion of the acquiree's net identifiable assets to the non-controlling interest.

(3) The fair value of the identifiable net assets acquired as of March 1, 2023 was originally assessed at a provisional amount and the fair value of these net assets was determined after the end of the measurement period as described above.

Among them, the initial valuations of PP&P and intangible assets were \$42,954 and \$0, respectively, which were different from the fair values of \$129,538 and \$58,804, respectively, identified in the purchase price apportionment report. The consolidated balance sheet as of December 31 and March 31, 2023.

- (4) Since March 1, 2023, the Group has merged with Pilot Battery Co., Ltd., Pilot Battery Co., Ltd. has contributed operating income and net loss before tax of \$4,106 and (\$536), respectively. If Pilot Battery Co., Ltd. had been included in the Group since January 1, 2023, the Group's operating income and net income before tax would have been \$1,568,658 and \$217,045, respectively.
2. The Group acquired 53.33% of shares of Moment Semiconductor, Inc. on March 17, 2023 for \$40,000 through a cash capital increase and gained control over Moment Semiconductor, Inc.
- (1) The fair value of the assets acquired and liabilities assumed from Moment Semiconductor, Inc. at the date of acquisition and the non-controlling interest as a percentage of the acquiree's identifiable net assets at the date of acquisition were as follows:

	<u>March 17, 2023</u>
Acquisition consideration	
Cash	\$ 40,000
Share of non-controlling interests in the identifiable net assets of the acquiree	<u>14,256</u>
	<u>54,256</u>
Fair value of acquired identifiable assets and assumed liabilities	
Cash	63,085
Accounts Receivables	13,911
Inventories	33,038
Prepayments	3,098
Property, plant and equipment	447
Other Non-Current Assets	216
Contract Liabilities	( 837)
Notes Payable	( 75,851)
Accounts Payable	( 1,734)
Other Payables	( 24)
Other Non-Current Liabilities	<u>( 4,800)</u>
Total identifiable net assets	<u>30,549</u>
Goodwill	<u>\$ 23,707</u>

- (2) Non-controlling interest is measured by the proportion of the acquiree's net identifiable assets to the non-controlling interest.
- (3) The fair value of the identifiable net assets acquired as of March 17, 2023 was originally assessed at a provisional amount and the fair value of these net assets was determined after the end of the measurement period as described above. The

initial valuation of property, plant and equipment, and intangible assets were \$447 and \$0 respectively, which were the same as the fair value identified in the acquisition price allocation report.

- (4) Since March 17, 2023, the Group has merged with Moment Semiconductor, Inc., Moment Semiconductor, Inc. has contributed operating income and net loss before tax of \$26,173 and (\$3,530), respectively. If Moment Semiconductor, Inc. had been included in the Group since January 1, 2023, the Group's operating income and net income before tax would have been \$1,611,587 and \$213,976, respectively.
3. The Group invested \$121,372 on May 1, 2023 to acquire 100% equity of One Test Systems and obtain control over One Test Systems.
- (1) The fair value of the assets acquired and liabilities assumed from One Test Systems at the date of acquisition and the non-controlling interest as a percentage of the acquiree's identifiable net assets at the date of acquisition were as follows:

	<u>May 1, 2023</u>
Acquisition consideration	
Cash	\$ 121,372
Share of non-controlling interests in the identifiable net assets of the acquiree	<u>-</u>
	<u>121,372</u>
Fair value of acquired identifiable assets and assumed liabilities	
Cash	9,331
Intangible assets	117,963
Other Payables	( 9,331)
Deferred Income Tax.	<u>( 23,593)</u>
Total identifiable net assets	<u>94,370</u>
Goodwill	<u>\$ 27,002</u>

- (2) Non-controlling interest is measured by the proportion of the acquiree's net identifiable assets to the non-controlling interest.
- (3) The fair value of the identifiable net assets acquired as of May 1, 2023 was originally assessed at a provisional amount and the fair value of these net assets was determined after the end of the measurement period as described above. The initial valuation of intangible assets is \$0, which is different from the fair value of \$117,963 identified in the acquisition price allocation report, and the consolidated balance sheet on December 31, 2023 is adjusted.



(XXXII) Supplemental cash flow information

1. Investing activities with partial cash payments:

	<u>January 1 to March 31,</u> <u>2024</u>	<u>January 1 to March 31,</u> <u>2023</u>
Purchase of property, plant and equipment	\$ 275,415	\$ 2,611,632
Add: Prepayments for equipment at the end of the period	621,275	669,336
Beginning balance of payable on equipment	498,861	111,919
Less: Prepayments for equipment at the beginning of the period	( 422,444)	( 1,293,001)
Ending balance of payable on equipment	<u>( 557,041)</u>	<u>( 808,417)</u>
Cash paid during the year	<u>\$ 416,066</u>	<u>\$ 1,291,469</u>

2. Financing activities with no cash flow effects:

	<u>January 1 to March 31,</u> <u>2024</u>	<u>January 1 to March 31,</u> <u>2023</u>
Dividends payable	<u>\$ 373,477</u>	<u>\$ 604,903</u>

(XXXIII) Changes in liabilities arising from financing activities

	<u>Short Term</u> <u>Loans</u>	<u>Corporate</u> <u>bonds payable</u>	<u>Long-term</u> <u>borrowings</u> <u>(including</u> <u>current portion)</u>	<u>Lease</u> <u>liabilities</u>	<u>Guarantee</u> <u>Deposits</u> <u>Received</u>	<u>Dividends</u> <u>payable</u>	<u>Total liabilities</u> <u>arising from</u> <u>financing</u> <u>activities</u>
January 1, 2024	\$5,429,370	\$3,424,6000	\$ 4,342,556	\$ 567,193	\$ 42,282	\$ -	\$13,806,001
Change in cash flow from financing activities	989,779	-	( 219,070)	( 12,868)	( 2,209)	-	755,632
Interest Expenses	-	13,292	-	1,878	-	-	15,170
Interest Paid	-	-	-	( 1,878)	-	-	( 1,878)
Distribution of cash dividends announced	-	-	-	-	-	373,477	373,477
Other Non-Cash Transactions	<u>( 1,412)</u>	<u>( 8,600)</u>	<u>5,026</u>	<u>8,862</u>	<u>-</u>	<u>-</u>	<u>3,876</u>
March 31, 2024	<u>\$6,417,737</u>	<u>\$3,429,292</u>	<u>\$ 4,128,512</u>	<u>\$ 563,187</u>	<u>\$ 40,073</u>	<u>\$373,477</u>	<u>\$14,952,278</u>

	<u>Short Term Loans</u>	<u>Corporate bonds payable</u>	<u>Long-term borrowings (including current portion)</u>	<u>Lease liabilities</u>	<u>Guarantee Deposits Received</u>	<u>Dividends payable</u>	<u>Total liabilities arising from financing activities</u>
January 1, 2023	\$4,624,525	\$2,609,044	\$ 3,779,447	\$ 559,669	\$ 34,754	\$ -	\$11,607,439
Change in cash flow from financing activities	850,182	-	( 254,920)	( 9,595)	17,744	-	603,411
Interest Expenses	-	4,513	-	1,851	-	-	6,364
Interest Paid	-	-	-	( 1,851)	-	-	( 1,851)
Distribution of cash dividends announced	-	-	-	-	-	604,903	604,903
Other Non-Cash Transactions	99,154	-	31,140	27,784	-	-	158,078
March 31, 2023	<u>\$5,573,861</u>	<u>\$2,613,557</u>	<u>\$ 3,555,667</u>	<u>\$ 577,858</u>	<u>\$ 52,498</u>	<u>\$604,903</u>	<u>\$12,978,344</u>

## VII. Related Party Transactions

### (I) Related parties' names and relationship

Name of the related parties	Relationship with the Group
Advagene Biopharma Co., Ltd.	Affiliates
Weida Hi-Tech Co., Ltd.	Affiliates
TrueLight Corporation	Affiliates (Note 1)
Image Match Design Inc.	Other related party (Note 2)
BKS Tec Corp.	Other related party
Pilot Qiangxiang Co., Ltd.	Other related party (Note 3)
Ontario Capital Co., Ltd.	Other related party
Taiwan Mask Charity Foundation	Other related party

Note 1: The Group acquired the equity of TrueLight Corporation in March 2024, and accounted for it as "Investment under equity method." Please refer to Note 6(6) for details.

Note 2: Image Match Design Inc. re-elected its directors on June 1, 2023. Youe Chung Capital Corporation is no longer a director of the company, and the company is not a related party of the Group.

Note 3: In March 2023, the Group acquired 58.33% of the shares of Pilot Qiangxiang Co., Ltd., and gained control over the company, which has been included in the consolidated financial statements as a consolidated entity since the acquisition of control.

(II) Significant transactions with the related parties

1. Operating revenue

	<u>January 1 to March 31,</u> <u>2024</u>	<u>January 1 to March 31,</u> <u>2023</u>
Product sales:		
Affiliates	\$ 2,828	\$ 394
Other related party	-	2,104
Total	<u>\$ 2,828</u>	<u>\$ 2,498</u>

There are no major abnormalities in the transaction prices and payment terms of the related party compared to that of non-related parties.

2. Purchase

	<u>January 1 to March 31,</u> <u>2024</u>	<u>January 1 to March 31,</u> <u>2023</u>
Purchase of merchandise:		
Other related party	<u>\$ -</u>	<u>\$ 74</u>

3. Account receivable from related parties.

	<u>March 31, 2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31, 2023</u>
Accounts Receivables:			
Affiliates	\$ 458	\$ -	\$ 739
Other related party	-	26	796
Other Receivables:			
Other related party	611	407	306
Total	<u>\$ 1,069</u>	<u>\$ 433</u>	<u>\$ 1,841</u>

4. Acquisition of financial assets

Pilot Qiangxiang Co., Ltd. was other related party to the Group. On March 1, 2023, the Group invested \$178,500 to acquire 7,000 thousand shares of Pilot Qiangxiang Co., Ltd., a 58.33% shareholding, to gain control and include the company as a consolidated entity in the consolidated financial statements. Please refer to Note 6(31) for details of the business merger transaction.

5. Others

(1) Deposits Received:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Other related party	<u>\$ 118</u>	<u>\$ 118</u>	<u>\$ -</u>

(2) Rent income:

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Other related party	<u>\$ 437</u>	<u>\$ 367</u>

(3) Other Incomes

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Other related party	<u>\$ 108</u>	<u>\$ -</u>

(4) For the three months ended March 31, 2024, the Company's subsidiary, Youe Chung Capital Corporation, donated 500,000 shares of the Company's stock, totaling \$7,115, to the Taiwan Mask Charitable Foundation.

(5) For the three months ended March 31, 2024, and 2023, the Company donated NT\$599 and NT\$134, respectively, in cash to the Taiwan Mask Charity Foundation.

6. Loaning of funds to related parties

Loans from related parties:

(1) Closing balance (recorded as "short-term borrowings")	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Other related party	<u>\$ 60,000</u>	<u>\$ 30,000</u>	<u>\$ -</u>

(2) Interest expenses	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Other related party	<u>\$ 229</u>	<u>\$ -</u>

The conditions for borrowing from related parties are that the interest is paid monthly at an annual interest rate of 2.7% after the loan is loaned, and the principal is repaid at the maturity. The borrowing period is from August 3, 2023 to June 30, 2024.

(III) Compensation of key management personnel

	<u>January 1 to March 31,</u> <u>2024</u>	<u>January 1 to March 31,</u> <u>2023</u>
Salary and short-term employee benefits	\$ 10,815	\$ 11,164
Post-employment benefits	54	54
Total	<u>\$ 10,869</u>	<u>\$ 11,218</u>

VIII. Pledged assets

Assets pledged by the Corporate Group as collateral are as follows:

<u>Assets</u>	<u>Book value</u>		<u>March 31, 2023</u>	<u>Purpose</u>
	<u>March 31, 2024</u>	<u>December 31,</u> <u>2023</u>		
Demand deposit (Recognized as “Financial assets at amortized cost”)	\$ 534,790	\$ 534,179	\$ 156,667	Reserve accounts for long- and short-term borrowings
Time deposit (Recognized as “Financial assets at amortized cost”)	466,295	382,863	582,135	Short-term loans and guarantees for goods out of the free zone
Stocks of publicly traded and OTC companies (recognized as “Financial assets at fair value through profit or loss”)	4,226,341	3,145,150	2,810,495	Short Term Loans
Shares of the Company (recognized as “treasury stock”) (Note)	491,647	491,647	511,569	Short Term Loans
Buildings and structures (including land)	1,172,732	1,181,577	1,206,647	Long-term Loans
Machinery and equipment and equipment under acceptance	3,601,174	3,433,402	2,540,852	Long- and short- term borrowings
Real estate investment	169,652	170,500	169,528	Long- and short- term borrowings
Office equipment	-	-	2,152	Long- and short- term borrowings
Other equipment	6,636	5,936	4,162	Long- and short- term borrowings
Intangible assets	-	-	271	Long-term Loans
	<u>\$ 10,669,267</u>	<u>\$ 9,345,254</u>	<u>\$ 7,984,478</u>	

Note: The cost of pledged treasury stocks was NT\$491,647 and its fair value was NT\$2,349,400 as of March 31, 2024.

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

(I) Contingencies

None.

(II) Commitments

1. Machine equipment maintenance contracts that have been signed but not yet paid

	<u>March 31, 2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31, 2023</u>
Machine maintenance	<u>\$ 44,005</u>	<u>\$ 44,906</u>	<u>\$ 13,981</u>

2. Capital expenditures that have been signed but not yet incurred

	<u>March 31, 2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31, 2023</u>
Property, plant and equipment	<u>\$ 1,616,919</u>	<u>\$ 980,980</u>	<u>\$ 2,033,545</u>

3. Lease agreement

Please see Note 6 (8) and (9)

X. Losses due to major disasters

None.

XI. Major Events after Financial Statement Date

None.

XII. Others

(I) Capital management

There was no significant change in the reporting period. Please refer to Note 12 in the 2023 consolidated financial statements.

(II) Financial instruments

1. Types of financial instrument

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Financial assets</u>			
Financial Liabilities at Fair Value Through Profit or Loss			
Mandatory financial assets at fair value through profit or loss	<u>\$ 5,242,865</u>	<u>\$ 4,522,714</u>	<u>\$ 4,441,141</u>
Financial assets measured at amortized cost cash and cash equivalents	\$ 1,562,811	\$ 1,364,106	\$ 1,446,328
Financial assets measured at amortized cost	1,004,085	920,042	738,802
Notes Receivables	5,767	6,049	57
Accounts receivable (Including related parties)	1,283,583	1,478,832	1,210,663
Other account receivable (Including related parties)	32,095	29,410	16,772
Refundable Deposit	<u>90,917</u>	<u>90,526</u>	<u>63,364</u>
	<u>\$ 3,979,258</u>	<u>\$ 3,888,965</u>	<u>\$ 3,475,986</u>
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss			
Financial liabilities mandatorily measured at fair value through profit or loss	<u>\$ 11,059</u>	<u>\$ 9,383</u>	<u>\$ 2,011</u>
Financial liabilities at amortized cost			
Short Term Loans	\$ 6,417,737	\$ 5,429,370	\$ 5,573,861
Notes Payable	10,676	66	71
Accounts payable (Including related parties)	407,316	463,892	324,140
Other accounts payable (Including related parties)	1,647,750	1,205,457	1,981,353
Corporate bonds payable	3,429,292	3,424,600	2,613,557
Long-term borrowings (including current portion)	4,128,512	4,342,556	3,555,667
Guarantee Deposits Received	<u>40,073</u>	<u>42,282</u>	<u>52,498</u>
	<u>\$ 16,081,356</u>	<u>\$ 14,908,223</u>	<u>\$ 14,101,147</u>
Lease liabilities	<u>\$ 563,187</u>	<u>\$ 567,193</u>	<u>\$ 577,858</u>

## 2. Risk management policies

- (1) The Group's activities expose it to a variety of financial risks, including market risk (exchange rate, interest rate and price), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and performance.
- (2) Risk management is carried out by a central finance department (Group finance) under policies approved by the Board of Directors. Group finance identifies, evaluates and hedges financial risks in close collaboration with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as currency exchange risk, interest rate risk, credit risk, the use of derivatives and non-derivative financial instruments and investment of excess liquidity.

## 3. Significant financial risks and degrees of financial risks

### (1) Market risk

#### A. Foreign exchange risk

The Group's operations involve certain non-functional currencies (the Company's and certain subsidiaries' functional currency is the New Taiwan dollar (NTD), and for other certain subsidiaries, the functional currency is the US Dollars, Japanese Yen and China's Renminbi (RMB)), so it is subject to the impact of exchange rate fluctuation. The details of assets and liabilities denominated in foreign currencies whose values that would be materially affected by exchange rate fluctuations are as follows:

<b>(Foreign currency: functional currency)</b>	<u>March 31, 2024</u>		<u>Exchange rate</u>	<u>Book value (NT\$ in thousands)</u>
	<u>Foreign currency</u>	<u>(in thousand)</u>		
Financial assets				
<u>Monetary items</u>				
USD : NTD	USD	39,253	32.000	\$ 1,256,083
RMB : NTD	CNY	61,803	4.408	272,426
JPY : NTD	JPY	151,050	0.2115	31,947
Financial liabilities				
<u>Monetary items</u>				
USD : NTD	USD	11,154	32.000	356,930
JPY : NTD	JPY	917,240	0.2115	193,996
Euro : NTD	EUR	485	34.460	16,718



<b>(Foreign currency: functional currency)</b>	<u>March 31, 2023</u>			Book value <u>(NT\$ in thousands)</u>
	<u>Foreign currency (in thousand)</u>	<u>Exchange rate</u>		
Financial assets				
<u>Monetary items</u>				
USD : NTD	USD	40,189	30.705	\$ 1,234,287
RMB : NTD	CNY	65,620	4.327	283,941
JPY : NTD	JPY	184,753	0.2172	40,128
Financial liabilities				
<u>Monetary items</u>				
USD : NTD	USD	15,574	30.705	478,208
JPY : NTD	JPY	836,916	0.2172	181,778

<b>(Foreign currency: functional currency)</b>	<u>March 31, 2023</u>			Book value <u>(NT\$ in thousands)</u>
	<u>Foreign currency (in thousand)</u>	<u>Exchange rate</u>		
Financial assets				
<u>Monetary items</u>				
USD : NTD	USD	46,574	30.450	\$ 1,418,174
RMB : NTD	CNY	31,301	4.431	138,696
JPY : NTD	JPY	66,293	0.2288	15,168
Financial liabilities				
<u>Monetary items</u>				
USD : NTD	USD	70,744	30.450	2,154,168
JPY : NTD	JPY	1,014,470	0.2288	232,111

B. Total exchange gains/losses, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2024, and 2023, amounted to \$35,825 and (\$6,382), respectively.

C. The analysis of foreign currency risk due to significant exchange rate fluctuation is as follows:

<u>January 1 to March 31, 2024</u>				
<u>Sensitivity Analysis</u>				
<b>(Foreign currency: functional currency)</b>		<u>Effect on</u>	<u>Other comprehensive</u>	
		<u>Fluctuation profit or loss</u>	<u>profit and loss affected</u>	
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$ 12,561	\$	-
RMB : NTD	1%	2,724		-
JPY : NTD	1%	319		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	( 3,569)		-
JPY : NTD	1%	( 1,940)		-
Euro : NTD	1%	( 167)		-

<u>January 1 to March 31, 2023</u>				
<u>Sensitivity Analysis</u>				
<b>(Foreign currency: functional currency)</b>		<u>Effect on</u>	<u>Other comprehensive</u>	
		<u>Fluctuation profit or loss</u>	<u>profit and loss affected</u>	
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$ 14,182	\$	-
RMB : NTD	1%	1,387		-
JPY : NTD	1%	152		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	( 21,542)		-
JPY : NTD	1%	( 2,321)		-

#### Price risk

- A. The equity instruments owned by the Company exposing to the price risk are financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.
- B. The Group invests primarily in equity instruments and open-end funds issued by domestic and foreign companies. The price of such equity instrument is subject to the uncertainty of the future value of investment target. If the equity instrument price had increased/decreased by 1% with all other variables held constant, net

income after tax from equity instruments at fair value through profit or loss for the three months ended March 31, 2024, and 2023, would have increased/decreased by \$41,943 and \$35,529, respectively; other comprehensive income classified as equity investment at fair value through other comprehensive income would have both increased/decreased by \$0.

#### Cash flow and fair value interest rate risk

- A. The Group's interest rate risk mainly comes from long-term borrowings issued at floating rates, which exposes the Group to cash flow interest rate risk. The Group's borrowings issued at floating interest rates were mainly denominated in New Taiwan dollars and U.S. dollars for the three months ended March 31 2024, and 2023.
  - B. The Group's borrowings are measured at amortized cost, and the annual interest rate is re-priced according to the contract, which exposes the Group to the risk of future market interest rate changes.
  - C. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, net income after tax for the three months ended March 31, 2024, and 2023, would have increased/decreased by \$5,273 and \$4,565, respectively, due to the change in interest expenses as a result of borrowings with floating interest rates.
- (2) Credit risk
- A. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments under contract obligations, and the defaults are accounts receivable and the contract cash flow from debt instruments measured at amortized cost, measured at fair value through other comprehensive income and at fair value through profit or loss.
  - B. The management of credit risk is established with a Group perspective. Only the banks and financial institutions with an independent credit rating of at least "A" can be accepted as transaction partners of the Group. 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. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.
  - C. The Group considers a contract payment overdue in accordance with the agreed payment terms a breach of contract.
  - D. The Group uses IFRS 9 to provide the following assumption as a basis for determining whether there is a significant increase in the credit risk of financial instruments after the original recognition:
    - (A) If the contract payment is overdue for more than 30 days in accordance with the agreed payment terms, the credit risk of the financial asset is significantly increased since the original recognition.
    - (B) For bond investments in Taipei Exchange, if any external rating agency rates

it as an investment grade on the balance sheet date, the credit risk of the financial asset is considered low.

- E. The Group uses the following indicators to determine the status of credit impairments of debt instruments:
- (A) The issuer has suffered significant financial difficulties or is likely to enter bankruptcy or other financial restructuring.
  - (B) The issuer has suffered significant financial difficulties or is likely to enter bankruptcy or other financial restructuring.
  - (C) The issuer delays or does not pay for the interest or principal.
  - (D) Unfavorable changes in the national- or regional-level economic situation resulting in the issuer's default.
- F. The Group categorizes the accounts receivable from customers based on the characteristics of trade credit risks. The simplified approach is adopted for estimating the expected credit loss based on the provision matrix.
- G. The Group may write off the amount of financial assets that cannot be reasonably expected to be recovered after recourse. However, the Group will continue the recourse to protect the rights of the claims.
- H. The allowance for losses on accounts receivable are estimated by reference to loss rate based on historical and current information for a specific period, adjusted for the Group's future considerations. A provision matrix as of March 31, 2024, December 31, 2023 and March 31, 2023 is as follows.

	<u>Not past due</u>	<u>Up to 30 days</u>	<u>31-90 days</u>	<u>91-180 days</u>	<u>More than 181 days past due</u>	<u>Total</u>
<u>March 31, 2024</u>						
Expected loss rate	0.01%	0.04~31.54%	0.04~64.10%	1.40~100%	63.58~100%	
Total book value	\$1,026,023	\$173,506	\$ 70,483	\$ 33,400	\$ 22,513	\$1,325,925
Loss allowance	-	-	( 4,866)	( 15,155)	( 22,321)	( 42,342)
	<u>Not past due</u>	<u>Up to 30 days</u>	<u>31-90 days</u>	<u>91-180 days</u>	<u>More than 181 days past due</u>	<u>Total</u>
<u>December 31, 2023</u>						
Expected loss rate	0.01%	0.05~33.11%	0.05~66.19%	0.04~98.36%	50.9~100%	
Total book value	\$1,226,407	\$171,778	\$ 78,432	\$ 11,385	\$ 20,253	\$1,508,255
Loss allowance	-	-	( 4,540)	( 5,187)	( 19,696)	( 29,423)
	<u>Not past due</u>	<u>Up to 30 days</u>	<u>31-90 days</u>	<u>91-180 days</u>	<u>More than 181 days past due</u>	<u>Total</u>
<u>March 31, 2023</u>						
Expected loss rate	0.01~1%	0.05~1.95%	1.88%~5.7%	5.24~18.19%	57.71~100%	
Total book value	\$ 946,717	\$151,343	\$108,758	\$ 8,949	\$ 11,978	\$1,227,745
Loss allowance	-	-	( 3,761)	( 2,668)	( 10,653)	( 17,082)

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

	<u>2024</u>
	<u>Accounts Receivables</u>
January 1	\$ 29,423
Recognize impairment loss	<u>12,919</u>
March 31	<u>\$ 42,342</u>

	<u>2023</u>
	<u>Accounts Receivables</u>
January 1	\$ 20,597
Reverse impairment loss	<u>( 3,515)</u>
March 31	<u>\$ 17,082</u>

(3) Liquidity risk

- A. Cash flow forecasting is performed by the operating entities of the Corporate Group and aggregated by the Group's treasury department. It monitors rolling forecasts of liquidity requirements to ensure the Group has sufficient cash to meet operational needs.
- B. The remaining cash held by each operating entity will be transferred back to the Group's finance department. The finance department of the Group invests the remaining funds in interest-bearing demand deposits, time deposits, financial assets at fair value through profit or loss, financial assets at amortized cost (time deposits with a maturity of more than 3 months and less than 12 months), as the instruments chosen have appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. Money market positions of \$2,566,773, \$2,284,019, and \$2,184,889, respectively, held by the Group as of March 31, 2024, December 31, 2023, and March 31, 2023 are expected to generate immediate cash flows to manage liquidity risks.

C. The Group's unutilized borrowings are shown as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Floating rate			
Short-term credit limits	\$ 780,290	\$ 1,469,512	\$ 932,708
Medium to long-term credit limits	250,000	-	600,000
Fixed rate			
Short-term credit limits	-	105,000	-
Medium to long-term credit limits	8,326	8,420	8,420
	<u>\$ 1,038,616</u>	<u>\$ 1,582,932</u>	<u>\$ 1,541,128</u>

D. The following table shows the Group's non-derivative financial liabilities and derivative financial liabilities settled on a net or total amount, grouped according to the relevant maturity date. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contract maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>Over 5 years</u>
March 31, 2024				
<u>Non-derivative financial liabilities:</u>				
Short Term Loans	\$6,818,724	\$ -	\$ -	\$ -
Notes Payable	10,676	-	-	-
Accounts payable (Including related parties)	407,316	-	-	-
Other accounts payable (Including related parties)	1,647,750	-	-	-
Lease liabilities	44,100	38,009	98,802	442,359
Corporate bonds payable	34,400	34,400	3,558,260	-
Long-term borrowings (including current portion)	1,274,893	1,206,796	1,451,988	453,248
Guarantee Deposits Received	-	40,073	-	-
	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>Over 5 years</u>
December 31, 2023				
<u>Non-derivative financial liabilities:</u>				
Short Term Loans	\$5,429,370	\$ -	\$ -	\$ -
Notes Payable	66	-	-	-
Accounts payable (Including related parties)	463,892	-	-	-
Other accounts payable (Including related parties)	1,205,457	-	-	-
Lease liabilities	45,788	37,109	98,036	446,083
Corporate bonds payable	34,400	34,400	3,558,260	-
Long-term borrowings (including current portion)	1,320,782	1,148,345	1,669,689	480,331
Guarantee Deposits Received	-	42,282	-	-

	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>Over 5 years</u>
March 31, 2023				
<u>Non-derivative financial liabilities:</u>				
Short Term Loans	\$5,601,262	\$ -	\$ -	\$ -
Notes Payable	71	-	-	-
Accounts payable (Including related parties)	324,140	-	-	-
Other accounts payable (Including related parties)	1,981,353	-	-	-
Lease liabilities	41,735	34,948	97,285	462,458
Corporate bonds payable	20,540	20,540	2,737,220	-
Long-term borrowings (including current portion)	663,152	1,018,891	1,490,887	514,305
Guarantee Deposits Received	-	52,498	-	-

### (III) Fair value information

1. 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 stocks of publicly traded or OTC firms 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 stocks of non-publicly traded or non-OTC firms and private equity fund is included in Level 3.

2. Financial instruments not measured at fair value

Cash, notes receivable, accounts receivable, other receivable, short-term borrowings, notes payable, accounts payable and other payable as reasonable approximation of fair value.



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

March 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial Liabilities at Fair Value Through Profit or Loss				
Equity securities	\$5,021,974	\$86,308	\$134,083	\$5,242,365
Beneficiary certificates	<u>500</u>	<u>-</u>	<u>-</u>	<u>500</u>
	<u>\$5,022,474</u>	<u>\$86,308</u>	<u>\$134,083</u>	<u>\$5,242,865</u>
<b>Liabilities</b>				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Convertible bond call/put options	<u>\$ -</u>	<u>\$ -</u>	<u>\$11,059</u>	<u>\$ 11,059</u>
December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial Liabilities at Fair Value Through Profit or Loss				
Equity securities	\$4,341,227	\$67,292	\$113,695	\$4,522,214
Beneficiary certificates	<u>500</u>	<u>-</u>	<u>-</u>	<u>500</u>
	<u>\$4,341,727</u>	<u>\$67,292</u>	<u>\$113,695</u>	<u>\$4,522,714</u>
<b>Liabilities</b>				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Convertible bond call/put options	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,383</u>	<u>\$ 9,383</u>

March 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial Liabilities at Fair Value Through Profit or Loss				
Equity securities	\$4,305,959	\$77,700	\$56,982	\$4,440,641
Beneficiary certificates	<u>500</u>	<u>-</u>	<u>-</u>	<u>500</u>
	<u>\$4,306,459</u>	<u>\$77,700</u>	<u>\$56,982</u>	<u>\$4,441,141</u>
<b>Liabilities</b>				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Convertible bond call/put options	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,011</u>	<u>\$ 2,011</u>

4. The methods and assumptions adopted by the Group for assessing the fair value are as follows:

(1) The Group adopt market pricing as the input of fair value (i.e. Level 1), and the breakdown of the characteristics of the instrument is as follows:

	<u>Shares of listed and OTC company</u>	<u>Open-end funds</u>
Market price	Closing price	Net Value

(2) Except for the abovementioned financial instruments with active markets, the fair value of the remaining financial instruments is obtained using valuation techniques. The fair value obtained through valuation techniques can refer to the current fair value of other financial instruments with similar substantive conditions and characteristics, discounted cash flow method, or other valuation techniques, including the use of market information available on the date of the consolidated balance sheet (for example, the Taipei Exchange refers to the yield curve, the Reuters adopts the average quotation of interest rate of commercial promissory notes).

(3) The output of the valuation model is the estimated value, and the valuation technique may not reflect all the relevant factors of the financial instruments and non-financial instruments held by the Group. Therefore, the estimated value of the valuation model will be appropriately adjusted according to additional parameters, such as model risk or liquidity risk. According to the Group's fair value valuation model management policies and related control procedures, the management believes that in order to properly express the fair value of financial instruments and non-financial instruments in the consolidated balance sheet, valuation adjustments are appropriate and necessary. The price information and parameters used in the valuation process are

carefully assessed and appropriately adjusted according to current market conditions.

- (4) The Group incorporates credit risk valuation adjustments into the consideration of the fair value of financial instruments and non-financial instruments to reflect counterparty credit risk and the credit quality of the Group, respectively.
5. For the three months ended March 31, 2024 and 2023, there was no transfer between level 1 and level 2.
6. For the three months ended March 31, 2024, and 2023, the following chart is the movement of Level 3:

	<u>Financial instruments</u>
January 1, 2024	\$ 104,312
Acquisition cost of the period	20,000
Recognized in profit or loss of the period	( 1,676)
Impact from exchange rate	<u>388</u>
March 31, 2024	<u>\$ 123,024</u>

	<u>Financial instruments</u>
January 1, 2023	\$ 51,174
Recognized in profit or loss of the period	3,686
Impact from exchange rate	<u>111</u>
March 31, 2023	<u>\$ 54,971</u>

7. The quantitative information about the significant unobservable input value of the valuation model and the sensitivity analysis of the significant unobservable input value change used in the Level 3 fair value measurements are explained as follows:

March 31, 2024

	<u>Fair value</u>	<u>Valuation</u>	<u>Significant</u>	<u>Range</u>	<u>Relationship</u>
		<u>technique</u>	<u>unobservable</u>	<u>(weighted</u>	<u>between inputs and</u>
			<u>inputs</u>	<u>average)</u>	<u>fair value</u>
Derivative equity/liability instruments:					
Shares of non-listed and non-OTC company	\$134,083	Net asset value method	Net asset value	-	The higher the net asset value, the higher the fair value
Convertible bond call/put options	( 11,059)	Convertible bond evaluation model	Stock price volatility	26.79%	The higher the stock price volatility, the higher the fair value

December 31, 2023

	<u>Fair value</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Range (weighted average)</u>	<u>Relationship between inputs and fair value</u>
Derivative equity/liability instruments:					
Shares of non-listed and non-OTC company	\$113,695	Net asset value method	Net asset value	-	The higher the net asset value, the higher the fair value
Convertible bond call/put options	( 9,383)	Convertible bond evaluation model	Stock price volatility	29.44%	The higher the stock price volatility, the higher the fair value

March 31, 2023

	<u>Fair value</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Range (weighted average)</u>	<u>Relationship between inputs and fair value</u>
Derivative equity/liability instruments:					
Shares of non-listed and non-OTC company	\$ 56,982	Net asset value method	Net asset value	-	The higher the net asset value, the higher the fair value
Convertible bond call/put options	( 2,011)	Convertible bond evaluation model	Stock price volatility	49.09%	The higher the stock price volatility, the higher the fair value

8. The Corporate Group has carefully assessed the valuation models and parameters used to measure fair value. However, use of different valuation models or parameters may result in different measurement. For financial assets or liabilities classified in Level 3, changes in valuation parameters have the following impacts on the income or other comprehensive income of the period:

	<u>Inputs</u>	<u>Changes</u>	<u>March 31, 2024</u>		<u>Recognized in other comprehensive income</u>	
			<u>Recognized in profit or loss</u>		<u>Favorable changes</u>	<u>Adverse changes</u>
			<u>Favorable changes</u>	<u>Adverse changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>
Financial assets						
Equity instruments	Net asset value ± 1%		\$ 1,341	(\$ 1,341)	\$ -	\$ -
Debt	Stock price volatility ± 1%		30	( 30)	-	-
			<u>\$ 1,371</u>	<u>(\$ 1,371)</u>	<u>\$ -</u>	<u>\$ -</u>

		<u>December 31, 2023</u>			
		<u>Recognized in profit or loss</u>		<u>Recognized in other comprehensive income</u>	
		<u>Favorable</u>	<u>Adverse</u>	<u>Favorable</u>	<u>Adverse</u>
<u>Inputs</u>	<u>Changes</u>	<u>changes</u>	<u>changes</u>	<u>changes</u>	<u>changes</u>
Financial assets					
Equity instruments	Net asset value $\pm$ 1%	\$ 1,137	(\$ 1,137)	\$ -	\$ -
Debt	Stock price volatility $\pm$ 1%	20	( 10)	-	-
		<u>\$ 1,157</u>	<u>(\$ 1,147)</u>	<u>\$ -</u>	<u>\$ -</u>

		<u>March 31, 2023</u>			
		<u>Recognized in profit or loss</u>		<u>Recognized in other comprehensive income</u>	
		<u>Favorable</u>	<u>Adverse</u>	<u>Favorable</u>	<u>Adverse</u>
<u>Inputs</u>	<u>Changes</u>	<u>changes</u>	<u>changes</u>	<u>changes</u>	<u>changes</u>
Financial assets					
Equity instruments	Net asset value $\pm$ 1%	\$ 570	(\$ 570)	\$ -	\$ -
Debt	Stock price volatility $\pm$ 1%	10	( 10)	-	-
		<u>\$ 580</u>	<u>(\$ 580)</u>	<u>\$ -</u>	<u>\$ -</u>

### XIII. Supplementary Disclosure

#### (I) Significant transactions information

- Loans to others: Please refer to Table 1.
- Provision of endorsements and guarantees to others: Please refer to Table 2.
- Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to Table 3.
- Acquisition or sale of the same security with the accumulated cost exceeding NT\$300 million or 20% of the Company's paid-in capital: None.
- Acquisition of real estate exceeding NT\$300 million or 20% of paid-in capital or more: None.
- Disposal of real estate exceeding NT\$300 million or 20% of paid-in capital or more: None.
- Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
- Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: None.

9. Engaged in derivative trading: None.
10. Significant inter-company transactions during the reporting periods: Please refer to Table 4.

(II) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to Table 5.

(III) Information on investments in Mainland China

1. Basic information: Please refer to Table 6.
2. Significant transactions, either directly or indirectly through a third area, with investee companies in China: None.

(IV) Information on Major Shareholders

Information on major shareholders: Please refer to Table 7.

XIV. Segment Information

(I) General information

Management has determined the reportable operating segments based on reports reviewed by the president and used to make strategic decisions.

The Group's corporate structure, the basis for division of segments, and the basis for measurement of segment information have not changed significantly during the current period.

(II) Segments Information

Information on the reporting segments provided to the chief operating decision maker is shown as follows:

January 1 to March 31, 2024:

	<u>Photomask and semiconductor segment</u>	<u>Medical segment</u>	<u>Total</u>
Revenue from external clients	<u>\$ 1,815,538</u>	<u>\$ 34,510</u>	<u>\$ 1,850,048</u>
Segment revenue	<u>(\$ 23,873)</u>	<u>(\$ 1,924)</u>	<u>(\$ 25,797)</u>
Segment margin	<u>\$ 698,181</u>	<u>(\$ 67,815)</u>	<u>\$ 630,366</u>
Segment margin include:			
Depreciation	<u>(\$ 293,204)</u>	<u>(\$ 14,417)</u>	<u>(\$ 307,621)</u>
Amortization expense	<u>(\$ 27,867)</u>	<u>(\$ 2,198)</u>	<u>(\$ 30,065)</u>
Financial Costs	<u>(\$ 72,640)</u>	<u>(\$ 6,565)</u>	<u>(\$ 79,205)</u>
Interest income	<u>\$ 7,562</u>	<u>\$ -</u>	<u>\$ 7,562</u>
Investments income recognized by using equity method	<u>(\$ 10,600)</u>	<u>\$ -</u>	<u>(\$ 10,600)</u>
Segment assets	<u>\$ 21,334,198</u>	<u>\$1,074,471</u>	<u>\$22,408,669</u>

January 1 to March 31, 2023:

	<u>Photomask and semiconductor segment</u>	<u>Medical segment</u>	<u>Total</u>
Revenue from external clients	<u>\$ 1,541,794</u>	<u>\$ 21,796</u>	<u>\$ 1,563,590</u>
Segment revenue	<u>(\$ 113,519)</u>	<u>\$ -</u>	<u>(\$ 113,519)</u>
Segment margin	<u>\$ 259,295</u>	<u>(\$ 39,909)</u>	<u>\$ 219,386</u>
Segment margin include:			
Depreciation	<u>(\$ 191,594)</u>	<u>(\$ 7,605)</u>	<u>(\$ 199,199)</u>
Amortization expense	<u>(\$ 11,368)</u>	<u>(\$ 202)</u>	<u>(\$ 11,570)</u>
Financial Costs	<u>(\$ 53,857)</u>	<u>(\$ 3,485)</u>	<u>(\$ 57,342)</u>
Interest income	<u>\$ 9,759</u>	<u>\$ 7</u>	<u>\$ 9,766</u>
Investments income recognized by using equity method	<u>(\$ 12,963)</u>	<u>\$ -</u>	<u>(\$ 12,963)</u>
Segment assets	<u>\$ 18,924,049</u>	<u>\$ 474,887</u>	<u>\$19,398,936</u>

(III) Reconciliation for segment income

Sales between segments are conducted according to the principle of transactions at fair value. The operating revenue from external customers reported to the operating decision maker is measured in a manner consistent with that in the income statement.

The consolidated income, assets and liabilities of related segments are consistent with the consolidated income, consolidated assets and consolidated liabilities, so there is no reconciliation information.

Taiwan Mask Corporation and Subsidiaries

Loans to Others

January 1 to March 31, 2024

Table 1

Unit: NTD in thousand

(Unless otherwise specified)

No. (Note 1)	Company that lent funds	Borrowing party	General ledger account	Related party?	Maximum Balance for the Period		Amount Actually		Range of interest rate	Nature of loan	Amount of transaction with borrower	Reason for short-term financing	Amount of recognized impairment loss	Collateral		Limit on loans granted to a single party	Ceiling on total loan granted	Note
					Ending balance	Drawn	Name	Value										
1	Youe Chung Capital Corporation	Moment Semiconductor, Inc.	Other Receivables - Related Parties	Y	30,000	-	-	-	2.7%	Short-term financing	-	Working Capital Turnover	-	None	-	1,533,731	1,533,731	Note 6
1	Youe Chung Capital Corporation	Aptos Technology INC.	Other Receivables - Related Parties	Y	390,000	310,000	310,000	-	2.7%	Short-term financing	-	Working Capital Turnover	-	Promissory note	310,000	1,533,731	1,533,731	Note 6
1	Youe Chung Capital Corporation	Xsense Technology Corporation (B.V.I.) Taiwan	Other Receivables - Related Parties	Y	300,000	300,000	270,000	-	2.7%	Short-term financing	-	Working Capital Turnover	-	Promissory note	300,000	1,533,731	1,533,731	Note 6
1	Youe Chung Capital Corporation	Innova Vision INC.	Other Receivables - Related Parties	Y	150,000	150,000	150,000	-	2.7%	Short-term financing	-	Working Capital Turnover	-	Promissory note	150,000	1,533,731	1,533,731	Note 6
2	Miracle Technology Co., LTD.	Aptos Technology INC.	Other Receivables - Related Parties	Y	170,000	170,000	170,000	-	2.7%	Short-term financing	-	Working Capital Turnover	-	Promissory note	170,000	175,799	175,799	Note 4
3	Miko-China Enterprise (Shanghai) Co., Ltd.	Sichuan Miracle Power Technology Co., Ltd.	Other Receivables - Related Parties	Y	44,080	44,080	44,080	-	2.509%	Short-term financing	-	Working Capital Turnover	-	None	-	165,213	165,213	Note 8
4	Pilot Qiangxiang Co., Ltd.	Xsense Technology Corporation (B.V.I.) Taiwan	Other Receivables - Related Parties	Y	100,000	50,000	50,000	-	2.7%	Short-term financing	-	Working Capital Turnover	-	Promissory note	50,000	157,182	157,182	Note 7

Note 1: The description of the number columns are as follows:

- (1) Fill in "0" for the issuer.
- (2) The investee company is numbered in sequence starting from the Arabic numeral 1 according to company type.

Note 2: Amendment to the Procedures for Lending Funds to Others:

- (1) Total amount of loans: The total amount of the Company's loans shall not exceed 40% of the Company's net value.
- (2) For companies or businesses that have business dealings with the Company, the loan amount of each individual borrowers shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company net value.
- (3) If there is a need for short-term financing between companies or inter-institutions, the loan amount to each borrower shall not exceed 40% of the Company's net worth.
- (4) Inter-company loans of funds between overseas companies in which the Company owns, directly or indirectly, 100% of the voting shares, are not restricted by the abovementioned paragraphs. However, the total amount of loans and the amount of loans to a single party shall not exceed 50% of the Company's net value.

Note 3: Subsidiary - ADL Energy Corp Procedures for Lending Funds to Others:

- (1) The total loan amount shall not exceed 50% of the Company's net value. However, for companies or businesses that have a short-term financing need, the loan amount of each individual borrowers shall not exceed 40% of the Company net value.
- (2) In addition to the provisions in (1), the loan amount of each individual borrower of companies or businesses that have business dealings with the Company shall not exceed the amount of transactions between the two parties. The amount of business transactions refers to the higher of the amount of goods purchased or sold between the parties.
- (3) In addition to the provisions in (1), in which companies or businesses have a short-term financing need, and the loan amount of each individual borrowers not exceeding 40% of the Company net value, the financing amount refers to the accumulated balance of the company's short-term financing.
- (4) Inter-company loans of funds between overseas companies in which the Company owns, directly or indirectly, 100% of the voting shares, or loans to the Company from any overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares are not restricted by the abovementioned paragraphs. However, the total loan amount, limits for each individual borrower, and the period of loan should be specified. However, the total amount of funds to be loaned and the limits for individual borrowers should be set, and the period for which funds should be loaned should be clearly defined. The total amount of loans lent between the overseas companies or to the parent company and the limit for each limit are specified as follows:
  - I. The total amount loans to enterprises shall not exceed 50% of the Company's net value. However, for companies or businesses that have a short-term financing need, the loan amount of each individual borrower shall not exceed 40% of the Company net value.
  - II. For overseas companies that have business dealings with each other, the individual loan amount shall not exceed the amount of transactions between the two parties. The amount of business transactions refers to the higher of the amount of goods purchased or sold between the parties.
  - III. If there is a need for short-term financing, the loan amount of each individual borrowers shall not exceed 40% of the company's net value, and the financing amount refers to the accumulated balance of the short-term financing between overseas companies.
- (5) The highest balance for the current period is the amount resolved by the board.

Note 4: Subsidiary - Miracle Technology Procedures for Lending Funds to Others

- (1) Total amount of loans: The total amount of the Company's loans shall not exceed 40% of the Company's net value.
- (2) For companies or businesses that have business dealings with the Company, the loan amount of each individual borrowers shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company net value.
- (3) If there is a need for short-term financing between companies or inter-institutions, the loan amount to each borrower shall not exceed 40% of the Company's net worth.
- (4) Inter-company loans of funds between overseas companies in which the Company owns, directly or indirectly, 100% of the voting shares, are not restricted by the abovementioned paragraphs. However, the total amount of loans and the amount of loans to a single party shall not exceed 50% of the Company's net value.

Note 5: Subsidiary - Innova Vision Procedures for Lending Funds to Others

- (1) Total amount of loans: The total amount of the Company's loans shall not exceed 40% of the Company's net value.
- (2) The loan amount of each individual borrower of companies or businesses that have business dealings with the Company shall not exceed the amount of transactions between the two parties in the past year. The amount of business transactions refers to the higher of the amount of goods purchased or sold between the parties, and shall not exceed 20% of the Company's net value.
- (3) If there is a need for short-term financing between companies or inter-institutions, the loan amount to each borrower shall not exceed 40% of the Company's net worth.

Note 6: Subsidiary - Youe Chung Capital Corporation Procedures for Lending Funds to Others

- (1) Total amount of loans: The total amount of the Company's loans shall not exceed 40% of the Company's net value.
- (2) If there is a need for short-term financing between companies or inter-institutions, the loan amount to each borrower shall not exceed 40% of the Company's net worth.

Note 7: Subsidiary - Pilot Battery Co., Ltd. Procedures for Lending Funds to Others:

The Company shall not loan funds to any of its shareholders or any other person except under the following circumstances:

- (1) Where an inter-company or inter-firm business transaction calls for a loan arrangement.
- (2) Where an inter-company or inter-firm short-term financing facility is necessary, provided that such financing amount shall not exceed 40% of the lender's net worth.

Note 8: Miko-China Enterprise (Shanghai) Co., Ltd. Endorsement and Guarantee Procedures:

- (1) Total amount of loans: The total amount of the Company's loans shall not exceed 40% of the Company's net value.
- (2) If there is a need for short-term financing between companies or inter-institutions, the loan amount to each borrower shall not exceed 40% of the Company's net worth.



Taiwan Mask Corporation and subsidiaries  
Endorsement/guarantee provided to others  
January 1 to March 31, 2024

Unit: NTD in thousand  
(Unless otherwise specified)

Table 2

No. (Note 1)	Endorser/guarantor	Party being endorsed/guaranteed		Limits on		Maximum Balance of Endorsement/Guarantee for the Period	Ending Balance of Endorsement/Guarantee	Amount Actually Drawn	Amount of Endorsement/Gu arantee	Ratio of Accumulated Endorsement/Guarantee to Net Equity per Latest	Maximum Endorsement/Guarantee Amount Allowable (Note 3, 4, 5, 6)	Guarantee provided by parent company	Guarantee provided by parent company	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name of Company	Relationship (Note 2)	Endorsement/Guarantee Amount Provided to	Amount Provided to										
0	Taiwan Mask Corporation	Miracle Technology Co., LTD.	2	\$ 229,550	\$ 221,060	\$ 128,000	\$ -	\$ -	-	2.35%	\$ 2,176,702	Y	N	N	Note 3
1	Miracle Technology Co., LTD.	Xsense Technology Corporation (B.V.I.) Taiwan Branch	1	175,799	150,000	150,000	150,000	150,000	150,000	34.13%	175,799	N	N	N	Note 6
1	Miracle Technology Co., LTD.	Aptos Technology INC.	1	175,799	20,000	20,000	20,000	20,000	20,000	4.55%	175,799	N	N	N	Note 6
2	Miko-China Enterprise (Shanghai) Co., Ltd.	Miracle Technology Co., LTD.	3	413,031	224,808	224,808	224,808	224,808	224,808	54.43%	413,031	N	Y	N	Note 5
3	Pilot Qiangxiang Co., Ltd.	ADL Energy Corp	2	157,182	30,000					0.00%	157,182	Y	N	N	Note 7
3	Pilot Qiangxiang Co., Ltd.	Youe Chung Capital Corporation	3	157,182	100,000	100,000	100,000	100,000	100,000	26.79%	157,182	N	Y	N	Note 7

Note 1: The description of the number columns are as follows:

- (1) Fill in "0" for the issuer.
- (2) The investee company is numbered in sequence starting from the Arabic numeral 1 according to company type.

Note 2: The relationship between the guarantor and the guarantee are one of the seven types indicated below:

- (1) A company with which it does business.
- (2) A company in which the Company directly and indirectly holds more than 50% of the voting shares.
- (3) A company that directly and indirectly holds more than 50% of the voting shares in the Company.
- (4) Companies in which the Company holds, directly or indirectly, 90%, or more of the voting shares may make endorsements/guarantees for each other.
- (5) A company that is mutually insured by a contract between peers or co-founders based on the needs of the contracted work.
- (6) A company that is guaranteed by all contributing shareholders in proportion to their shareholdings due to a joint investment relationship.
- (7) Companies that are engaged in joint and several guarantees for the performance guarantee of pre-sale housing sales contracts in accordance with the regulations of the Consumer Protection Act.

Note 3: The Company's endorsement and guarantee practices for others provide that:

- (1) The total amount of the Company's external endorsement guarantee shall not exceed 30% of the Company's paid-in capital.
- (2) The amount of business transactions refers to the higher of the amount of goods purchased or sold between the parties.
- (3) Companies with which the Company has a parent-child relationship: The endorsement and guarantee for a single enterprise shall not exceed 10% of the Company's paid-in capital and the company's paid-in capital being endorsed and guaranteed.
- (4) The aggregate amount of the endorsement and guarantee of the Company and its subsidiaries as a whole shall not exceed 40% of the net worth of the Company, of which the endorsement and guarantee of a single subsidiary shall not exceed 20% of the net worth of the Company.

Note 4: Subsidiary - Adl Engineering Inc. Endorsement and Guarantee Procedures:

- (1) The aggregate amount of cumulative external endorsement guarantees shall not exceed 40% of the net value of the Company's most recent audited or reviewed financial statements.
- (2) The amount of the endorsement guarantee for a single enterprise shall not exceed 30% of the net value of the company's most recent audited or reviewed financial statements.
- (3) The Company and its subsidiaries shall state in the shareholders' meeting the necessity and reasonableness of any endorsement or guarantee of more than 50% of the net value of the Company's most recent audited or reviewed financial statements.

Note 5: Miko-China Enterprise (Shanghai) Co., Ltd. Endorsement and Guarantee Procedures:

The total amount of endorsement guarantee liability is limited to RMB 30 million, and the amount of endorsement guarantee for a single enterprise shall not exceed RMB 30 million; however, for the parent company that directly or indirectly holds, through a subsidiary, more than 50% of the common stock equity of a company, it may endorse up to its net value.

Note 6: Subsidiary - Miracle Technology Co., Ltd. Endorsement and Guarantee Procedures:

The aggregate amount of cumulative external endorsement guarantees shall not exceed 40% of the net value of the Company's most recent audited or reviewed financial statements.

Note 7: Subsidiary - Pilot Qiangxiang Co., Ltd. Endorsement and Guarantee Procedures:

The aggregate amount of cumulative external endorsement guarantees shall not exceed 40% of the net value of the Company's most recent audited or reviewed financial statements.

Taiwan Mask 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

Unit: NTD thousands (unless otherwise specified)

Company name of the shareholder	Marketable securities	Relationship with the marketable securities issuer	General ledger account	End of period				Note
				Number of shares	Book value	Ownership	Fair value	
Taiwan Mask Corporation	Common stocks of United Microelectronics Corporation	None	Financial Assets at Fair Value Through Profit or Loss - Current	7,554,000	\$ 394,319	0.06%	\$ 394,319	
Taiwan Mask Corporation	Common shares of China Steel Structure Co., Ltd.	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	14,334,000	914,510	7.17%	914,510	
Taiwan Mask Corporation	Common stocks of Avision Inc. through private placement.	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	10,000,000	56,100	4.61%	56,100	
Taiwan Mask Corporation	Common Stock of 3S Silicon Tech Inc.	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	1,000,000	30,208	2.69%	30,208	
Youe Chung Capital Corporation	Common stocks of United Microelectronics Corporation	None	Financial Assets at Fair Value Through Profit or Loss - Current	5,680,000	296,496	0.05%	296,496	
Youe Chung Capital Corporation	Common stocks of Microtek International	None	Financial Assets at Fair Value Through Profit or Loss - Current	40,966,000	997,522	19.92%	997,522	
Youe Chung Capital Corporation	Common stocks of Taiwan Mask	Parent company	Financial Assets at Fair Value Through Profit or Loss - Non Current	35,331,440	2,402,538	13.77%	2,402,538	
Youe Chung Capital Corporation	Common shares of China Steel Structure Co., Ltd.	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	24,999,000	1,594,936	12.50%	1,594,936	
Youe Chung Capital Corporation	Common stocks of EVERBRITE Technology	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	12,798,000	824,191	19.99%	824,191	
Youe Chung Capital Corporation	Image Match Design Inc.	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	378,000	2,925	2.26%	2,925	
Youe Chung Capital Corporation	B Current Impact Investment Co., Ltd.	The Company is a director of that company	Financial Assets at Fair Value Through Profit or Loss - Non Current	1,000,000	10,000	10.00%	10,000	
Youe Chung Capital Corporation	B Current Impact Investment Partnership	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	500,000	5,000	-	5,000	
Youe Chung Capital Corporation	Intellectual Property Innovation Corporation Partnership Fund	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	-	20,000	-	20,000	
Youe Chung Capital Corporation	Wisdom Capital Limited Partnership	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	-	75,000	-	75,000	
Jing Hao Investment Co., Ltd.	G-TECH ELECTRONICS LTD.	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	1,097,092	-	8.08%	-	
Jing Hao Investment Co., Ltd.	Memchip Technology Co., Ltd.	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	187,915	-	3.13%	-	
Aptos Technology INC.	Common stocks of TOPFUN TECHNOLOGY INC.	None	Financial Assets at Fair Value Through Other Comprehensive Income - Non Current	100,000	-	12.27%	-	
Adl Engineering INC.	Franklin Templeton SinoAm Asia Pacific Balanced Fund-Accu. Beneficiary Certificate	None	Financial Assets at Fair Value Through Profit or Loss - Current	50,000	500	-	500	
Miko-China Enterprise (Shanghai) Co., Ltd.	Common stocks of Shenzhen He Mei Jing Yi Semiconductor Technology Co., Ltd.	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	400,000	21,158	0.31%	21,158	

Taiwan Mask Corporation and Subsidiaries  
Significant inter-company transactions during the reporting periods

January 1 to March 31, 2024

Table 4

Unit: NTS Thousand  
(Unless otherwise specified)

No. (Note 1)	Name of the counterparty	Counterparty	Relationship with the counterparty	Status of transaction		Percentage of consolidated total operating revenues or total assets	
				General ledger account	Amount		
0	Taiwan Mask Corporation	Miracle Technology Co., LTD.	1	Sales	2,425	Net 60	0.13%
0	Taiwan Mask Corporation	Miracle Technology Co., LTD.	1	Endorsement and guarantee	128,000	Same with other customers	0.57%
0	Taiwan Mask Corporation	Miracle Technology Co., LTD.	1	Accounts Receivables	4,016	Net 60	0.02%
0	Taiwan Mask Corporation	Miracle International Enterprise (Shanghai) Co., Ltd.	1	Sales	4,010	Net 60	0.22%
0	Taiwan Mask Corporation	Miracle International Enterprise (Shanghai) Co., Ltd.	1	Accounts Receivables	3,811	Net 60	0.02%
0	Taiwan Mask Corporation	Aptos Technology INC.	1	Rental income	13,021	Same with other customers	0.70%
0	Taiwan Mask Corporation	Aptos Technology INC.	1	Other Receivables	34,341	Same with other customers	0.15%
0	Taiwan Mask Corporation	Innova Vision INC.	1	Rental income	4,368	Same with other customers	0.24%
0	Taiwan Mask Corporation	Innova Vision INC.	1	Other Receivables	39,252	Same with other customers	0.18%
0	Taiwan Mask Corporation	Xsense Technology Corporation (B.V.I.) Taiwan Branch	1	Rental income	12,148	Same with other customers	0.66%
0	Taiwan Mask Corporation	Xsense Technology Corporation (B.V.I.) Taiwan Branch	1	Other Receivables	24,623	Same with other customers	0.11%
1	Miracle Technology Co., LTD.	Aptos Technology INC.	3	Other receivables (loans of funds)	170,000	Receipt and payment at an agreed time	0.76%
1	Miracle Technology Co., LTD.	Aptos Technology INC.	3	Other Receivables	1,144	Receipt and payment at an agreed time	0.01%
1	Miracle Technology Co., LTD.	Aptos Technology INC.	3	Interest income	1,144	Receipt and payment at an agreed time	0.06%
1	Miracle Technology Co., LTD.	Xsense Technology Corporation (B.V.I.) Taiwan Branch	3	Endorsement and guarantee	150,000	Same with other customers	0.67%
1	Miracle Technology Co., LTD.	Miracle International Enterprise (Shanghai) Co., Ltd.	3	Sales	12,677	Net 30	0.69%
1	Miracle Technology Co., LTD.	Miracle International Enterprise (Shanghai) Co., Ltd.	3	Accounts Receivables	1,834	Net 30	0.01%
1	Miracle Technology Co., LTD.	Aptos Technology INC.	3	Endorsement and guarantee	20,000	Same with other customers	0.09%
2	Miko-China Enterprise (Shanghai) Co., Ltd.	Miracle Technology Co., LTD.	3	Endorsement and guarantee	224,808	Same with other customers	1.00%
2	Miko-China Enterprise (Shanghai) Co., Ltd.	Sichuan Miracle Power Technology Co., Ltd.	3	Other receivables (loans of funds)	44,080	Receipt and payment at an agreed time	0.20%
3	Sichuan Miracle Power Technology Co., Ltd.	Miko-China Enterprise (Shanghai) Co., Ltd.	3	Sales	1,965	Net 30	0.11%
4	Youe Chung Capital Corporation	Aptos Technology INC.	3	Other receivables (loans of funds)	310,000	Receipt and payment at an agreed time	1.38%
4	Youe Chung Capital Corporation	Aptos Technology INC.	3	Other Receivables	1,254	Receipt and payment at an agreed time	0.01%
4	Youe Chung Capital Corporation	Aptos Technology INC.	3	Interest income	1,825	Receipt and payment at an agreed time	0.10%
4	Youe Chung Capital Corporation	Xsense Technology Corporation (B.V.I.) Taiwan Branch	3	Other receivables (loans of funds)	270,000	Receipt and payment at an agreed time	1.20%
4	Youe Chung Capital Corporation	Xsense Technology Corporation (B.V.I.) Taiwan Branch	3	Other Receivables	2,488	Receipt and payment at an agreed time	0.01%
4	Youe Chung Capital Corporation	Xsense Technology Corporation (B.V.I.) Taiwan Branch	3	Interest income	1,818	Receipt and payment at an agreed time	0.10%
4	Youe Chung Capital Corporation	Innova Vision INC.	3	Other receivables (loans of funds)	150,000	Receipt and payment at an agreed time	0.67%
4	Youe Chung Capital Corporation	Innova Vision INC.	3	Other Receivables	1,210	Receipt and payment at an agreed time	0.01%
5	Pilot Qiangxiang Co., Ltd.	Xsense Technology Corporation (B.V.I.) Taiwan Branch	3	Other receivables (loans of funds)	50,000	Receipt and payment at an agreed time	0.22%
5	Pilot Qiangxiang Co., Ltd.	Youe Chung Capital Corporation	3	Endorsement and guarantee	100,000	Same with other customers	0.45%
6	iPro Vision Inc.	Innova Vision INC.	2	Sales	1,244	Receipt and payment at an agreed time	0.07%

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 subsidiaries.

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 account. Note 4: Only transactions with an amount of more than NTS1 million will be disclosed, and transactions with related parties will not be disclosed separately.

## Taiwan Mask Corporation and Subsidiaries

Names, locations and other information of investee companies (not including investees in Mainland China)

January 1 to March 31, 2024

Unit: NTD in thousand (Unless otherwise specified)

Table 5

Name of Investor	Investee	Location	Main business activities	Initial investment amount		Shares held at the end of the period			Profit (loss) of the investee		Investment profit (loss)		Note
				Balance at the end of	End of the	Number of	Ownership	Book value	for the current period	recognized for the current			
Taiwan Mask Corporation	Sunny Lake Park International Holdings, Inc.	British Virgin Islands	Re-investment	\$ 103,045	\$ 103,045	3,120,000	100%	\$ 5,940	\$ -	17	\$ -	17	
Taiwan Mask Corporation	Youe Chung Capital Corporation	Taiwan	Re-investment	1,260,000	1,260,000	534,877,568	100%	1,493,986		334,342		479,420	
Taiwan Mask Corporation	Advagene Biopharma Co., Ltd.	Taiwan	Medical, R&D, manufacturing	165,691	165,691	12,549,652	23.51%	29,225	(	15,656)	(	3,750)	
Taiwan Mask Corporation	Miracle Technology Co., LTD.	Taiwan	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	252,651	252,651	22,955,033	100%	475,607	(	6,132)	(	6,132)	
Taiwan Mask Corporation	Weida Hi-Tech Co., Ltd.	Taiwan	Display panel control chip and other module's research, design, development, manufacturing and sales	293,371	293,371	12,176,880	28.20%	21,353	(	19,776)	(	4,775)	
Taiwan Mask Corporation	Innova Vision INC.	Taiwan	Manufacturing, retail, wholesale and international trade of medical equipment	598,721	598,721	37,813,134	75.32%	91,571	(	65,861)	(	51,130)	
Taiwan Mask Corporation	ONE TEST SYSTEMS	United States	Research, development and design of test equipment and related components	121,372	121,372	940,000	100%	89,414		0	(	4,915)	
Taiwan Mask Corporation	Pilot Qiangxiang Co., Ltd.	Taiwan	Electronic parts and components and energy technical services	180,000	180,000	3,600,000	20.00%	101,927	(	19,705)	(	4,634)	
Taiwan Mask Corporation	TrueLight Corporation	Taiwan	Optical fiber communication related products	410,400	-	13,500,000	12.11%	409,268	(	89,902)	(	1,132)	
Youe Chung Capital Corporation	Advagene Biopharma Co., Ltd.	Taiwan	Medical, R&D, manufacturing	75,021	75,021	3,216,223	6.03%	7,507	(	15,656)	(	943)	
Youe Chung Capital Corporation	Xsense Technology Corporation	British Virgin Islands	Precious metal coating	325,965	325,965	1	100.00%	6,291		44		44	
Youe Chung Capital Corporation	Xsense Technology Corporation (B.V.I.) Taiwan Branch	Taiwan	Precious metal coating	-	-	12,189,191	53.00%	( 22,274)	(	34,139)	(	18,980)	
Youe Chung Capital Corporation	Aptos Technology INC.	Taiwan	Design, packaging and testing of NAND flash memory, solid state drives and the related products	434,692	434,692	28,481,161	47.19%	( 248,510)	(	54,103)	(	26,690)	
Youe Chung Capital Corporation	Innova Vision INC.	Taiwan	Manufacturing, retail, wholesale and international trade of medical equipment	151,533	151,533	94,370	0.19%	325	(	65,861)	(	124)	
Youe Chung Capital Corporation	Digital-Can Tech. Co., Ltd.	Taiwan	3D Printing and Plastic Mold Design	139,072	139,072	7,281,250	57.39%	102,159	(	5,444)	(	4,347)	
Youe Chung Capital Corporation	Pilot Qiangxiang Co., Ltd.	Taiwan	Electronic parts and components and energy technical services	178,500	178,500	7,000,000	38.89%	209,606	(	19,705)	(	12,242)	
Youe Chung Capital Corporation	Moment Semiconductor, Inc.	Taiwan	Retail and wholesale of memory products	40,000	40,000	4,000,000	53.33%	27,971	(	3,637)	(	1,940)	
Aptos Technology INC.	New Sunrise Limited	Samoa	Re-investment	-	-	-	100%	-		-		-	Note
ADL Energy Corp	Aptos Global Holding Corp.	Seychelles	Re-investment	29,795	29,795	10,000,000	100%	-		-		-	
Miracle Technology Co., LTD.	Jing Hao Investment Co., Ltd.	Taiwan	Re-investment	10,012	10,012	25,860,907	100%	340,094		10,671		10,671	
Jing Hao Investment Co., Ltd.	Miko Technology Co., Ltd	Hong Kong	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	37	37	10,000	100%	6,941	(	60)	(	60)	

Taiwan Mask Corporation and Subsidiaries

Names, locations and other information of investee companies (not including investees in Mainland China)

January 1 to March 31, 2024

Table 5

Unit: NTD in thousand  
(Unless otherwise specified)

Name of Investor	Investee	Location	Main business activities	Initial investment amount		Shares held at the end of the period			Profit (loss) of the investee for the period	Investment profit (loss) recognized for the period	Note
				Balance at the end of	End of the	Number of	Ownersh	Book value			
Innova Vision INC.	Innova Technology	Taiwan	Sales of contact lens	64,650	64,650	3,000,000	100%	( 3,421)	( 25)	( 25)	
Innova Vision INC.	Innova Vision (B.V.I) Inc.	British Virgin Islands	Re-investment	60,157	60,157	1,000,000	100%	( 1,179)	( 2)	( 2)	
Innova Vision INC.	iPro Vision Inc.	Japan	Sales of contact lens	84,204	84,204	6,400	52.03%	( 1,475)	( 4)	( 2)	
Innova Vision (B.V.I) Inc.	iPro Vision Inc.	Japan	Sales of contact lens	56,420	56,420	5,900	47.97%	( 1,359)	( 4)	( 2)	
Pilot Qiangxiang Co., Ltd.	ADL Energy Corp	Taiwan	Electronic parts and components and energy technical services	413,050	413,050	11,984,526	100%	73,648	5,338	5,338	

Note: As of March 31, 2024, the funds for shares have not been remitted.

Taiwan Mask Corporation and Subsidiaries

Information on investments in Mainland China

January 1 to March 31, 2024

Table 6

Unit: NTD in thousand

(Unless otherwise specified)

Investee in Mainland China	Main business activities	Paid-up capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to China	Amount remitted from Taiwan to China/Amount remitted back to Taiwan for the period		Accumulated amount of remittance from Taiwan to China	Profit (loss) of the investee for the current period	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the current period (Note 2)	Ending carrying amount	Accumulated amount of investment income remitted back to Taiwan	Note
					Remitted to	Remitted back							
Miko-China Enterprise (Shanghai) Co., Ltd.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	\$ 3,283	1	\$ 3,283	\$ -	\$ -	\$ 3,283	\$ 13,430	100%	\$ 13,430	\$ 413,031	\$ -	Note 2 (2) B
Miracle International Enterprise (Shanghai) Co., Ltd.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	10,215	1	10,215	-	-	10,215	( 3,411)	100%	( 3,411)	101,248	-	Note 2 (2) B, Note 4
Sichuan Miracle Power Technology Co., Ltd.	IC product design, production and sales	53,676	3	-	-	-	-	( 2,117)	100%	( 2,117)	53,886	-	Note 2 (2) B

Name of Company	Accumulated amount of remittance from Taiwan to China as of the end of the period	Investment amount approved by the Investment Commission	Ceiling on investments in China imposed by the Investment Commission of MOEA
Miracle Technology Co., LTD.	\$ 13,498	\$ 13,498	\$ 263,699

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

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area (please specify the company), which then invested in Mainland China.
- (3) Others

Note 2: Investment income recognized by the Company for the current period

- (1) If it is still under preparation with no actual gain or loss, it shall be indicated in the box.
- (2) The basis for recognition of the investment gains or losses is divided into the following three, it shall be indicated in the box.
  - A. Financial statements audited and validated by an international accounting firm that has a collaborative relationship with CPA firms in Taiwan.
  - B. Financial statements reviewed by a certified accountant or accounting firm who work with the parent company in Taiwan.
  - C. Unaudited financial reports.

Note 3: The relevant figures in this table should be presented in New Taiwan Dollars.

Note 4: It was originally invested through Misun Technology Co., Ltd. Since the aforementioned company has gone through dissolution and liquidation, it has been changed to Miracle Technology Co., Ltd. directly investing in Miracle International Enterprise (Shanghai) Co., Ltd.

Taiwan Mask Corporation and Subsidiaries

Information on Major Shareholders

March 31, 2024

Table 7

Name of Main Shareholders	Shares	
	No. of shares held	Ownership
Youe Chung Capital Corporation	35,331,440	13.77%