

**Prosperity Dielectrics Co., Ltd. and
Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2022 and
2021 (Restated) and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Prosperity Dielectrics Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Prosperity Dielectrics Co., Ltd. and its subsidiaries (collectively, the "Group") as of September 30, 2022 and 2021 as restated, and the related consolidated statements of comprehensive income for the three months ended September 30, 2022 and 2021 as restated and for the nine months ended September 30, 2022 and 2021 as restated, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As described in Note 13 to the consolidated financial statements, the financial statements of certain investments accounted for using the equity method were not reviewed by independent accountants. As of September 30, 2022 and 2021 as restated, total investments accounted for using the equity method amounted to NT\$414,046 thousand and NT\$369,172 thousand, respectively, and the total share of profit (loss) of the associates accounted for using the equity method for the three months ended September 30, 2022 and 2021 as restated and for the nine months ended September 30, 2022 and 2021 as restated, amounted to NT\$4,963 thousand, NT\$4,240 thousand, NT\$(13,733) thousand and NT\$5,958 thousand, respectively. In addition, the related information about certain investments disclosed in Note 32 to the consolidated financial statements was also not reviewed by independent accountants.

Qualified Conclusion

Based on our reviews and the review reports of other independent accountants (refer to other matter paragraph), except for adjustments, if any, as might have been determined to be necessary had the financial statements of the investments accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused 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 September 30, 2022 and 2021 as restated, and its consolidated financial performance for the three months ended September 30, 2022 and 2021 as restated, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2022 and 2021 as restated in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

We did not review the financial statements of certain investments accounted for using the equity method. Those financial statements were reviewed by other independent accountants. Therefore, our conclusion expressed herein, insofar as it relates to the amounts reviewed by other independent accountants, is based solely on the review reports of the other independent accountants. The investments accounted for under equity method amounted to NT\$95,871 thousand as of September 30, 2021 as restated, and the share of loss of associates accounted for using the equity method for the three months ended and nine months ended September 30, 2021 as restated amounted to NT\$2,379 thousand and NT\$42 thousand, respectively.

Emphasis of Matter

As described in Notes 13 and 30 to the consolidated financial statements, in July 2022, Prosperity Dielectrics Co., Ltd. and Subsidiaries acquired 17,519 thousand shares and 3,058 thousand shares of Joyin Co., Ltd. from the related parties, INPAQ Technology Co., Ltd. and Walsin Technology Corporation, respectively; after the acquisition, the shareholding ratio of Joyin Co., Ltd. increased from 4.02% to 30.4%. The aforesaid transaction is an organizational reorganization under common control and the consolidated financial statements should be regarded as if the transaction had occurred from the beginning and retrospectively restated for the comparative period. This restatement increased the previously held interests by NT\$324,031 thousand and NT\$322,368 thousand on December 31, 2021 and September 30, 2021, respectively. For the three months and the nine months ended September 30, 2021, the comprehensive income of previously held interests increased by NT\$2,843 thousand and NT\$4,561 thousand, respectively. The accountants did not revise the review conclusion of the consolidated financial statements for the third quarter of 2021 due to the aforementioned matter.

The engagement partners on the reviews resulting in this independent auditors' review report are Yi-Min Huang and Chin-Chuan Shih.

Yi-Min Huang

Chin-Chuan, Shih.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 1, 2022

Notice to Readers

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

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2022 (Reviewed)		December 31, 2021 (Audited after Restated)		September 30, 2021 (Reviewed after Restated)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 1,541,694	18	\$ 1,312,198	14	\$ 1,165,576	13
Financial assets at fair value through profit or loss - current (Note 7)	332,332	4	532,066	6	471,194	5
Financial assets at amortized cost - current (Note 8)	80,305	1	262,697	3	140,062	1
Notes receivable from unrelated parties (Note 9)	20,575	-	50,882	-	45,634	-
Trade receivables from unrelated parties (Note 9)	750,383	9	743,018	8	941,852	10
Trade receivables from related parties (Note 28)	109,196	1	335,976	4	392,855	4
Other receivables from unrelated parties	27,059	-	34,979	-	58,297	1
Other receivables from related parties (Note 28)	2,016	-	12,019	-	7,273	-
Inventories (Note 10)	723,886	8	820,570	9	825,005	9
Other current assets	43,673	1	53,403	-	58,287	1
Total current assets	<u>3,631,119</u>	<u>42</u>	<u>4,157,808</u>	<u>44</u>	<u>4,106,035</u>	<u>44</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 12)	1,266,807	15	1,607,074	17	1,447,634	16
Financial assets at amortized cost - non-current (Note 8)	157,461	2	43,476	1	172,486	2
Investments accounted for using the equity method (Note 13)	1,182,957	14	1,158,254	12	1,135,880	12
Property, plant and equipment (Note 14)	2,063,431	24	2,218,674	24	2,195,315	24
Right-of-use assets (Note 15)	196,247	2	176,410	2	171,847	2
Computer software	8,745	-	7,221	-	1,014	-
Deferred tax assets (Note 4)	37,854	1	34,151	-	32,295	-
Other non-current assets	8,979	-	7,079	-	6,092	-
Total non-current assets	<u>4,922,481</u>	<u>58</u>	<u>5,252,339</u>	<u>56</u>	<u>5,162,563</u>	<u>56</u>
TOTAL	<u>\$ 8,553,600</u>	<u>100</u>	<u>\$ 9,410,147</u>	<u>100</u>	<u>\$ 9,268,598</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 16)	\$ 30,000	-	\$ -	-	\$ 50,000	-
Trade payables to unrelated parties	226,834	3	389,564	4	532,625	6
Trade payables to related parties (Note 28)	85,028	1	163,591	2	279,739	3
Other payables to unrelated parties (Note 17)	461,513	5	712,642	8	751,101	8
Other payables to related parties (Note 28)	22,760	-	22,259	-	58,933	1
Current tax liabilities (Note 4)	130,673	2	137,270	2	88,006	1
Lease liabilities - current (Note 15)	36,154	1	25,573	-	25,973	-
Current portion of long-term borrowings (Note 16)	253,542	3	8,333	-	-	-
Other current liabilities	14,021	-	16,157	-	17,829	-
Total current liabilities	<u>1,260,525</u>	<u>15</u>	<u>1,475,389</u>	<u>16</u>	<u>1,804,206</u>	<u>19</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 16)	575,548	7	817,656	9	765,795	8
Deferred tax liabilities (Note 4)	175,016	2	178,518	2	172,595	2
Lease liabilities - non-current (Note 15)	163,785	2	154,131	2	148,679	2
Deferred revenue - non-current (Note 17)	5,910	-	9,011	-	9,205	-
Net defined benefit liabilities - non-current (Note 4)	33,995	-	51,391	-	46,446	1
Guarantee deposits	21,613	-	25,234	-	18,791	-
Total non-current liabilities	<u>975,867</u>	<u>11</u>	<u>1,235,941</u>	<u>13</u>	<u>1,161,511</u>	<u>13</u>
Total liabilities	<u>2,236,392</u>	<u>26</u>	<u>2,711,330</u>	<u>29</u>	<u>2,965,717</u>	<u>32</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)						
Share capital						
Ordinary shares	1,720,000	20	1,720,000	18	1,720,000	19
Capital surplus	498,708	6	498,548	5	498,522	5
Retained earnings						
Legal reserve	624,924	7	509,861	5	509,861	5
Special reserve	67,764	1	67,764	1	67,764	1
Unappropriated earnings	2,994,688	35	2,829,865	30	2,583,431	28
Total retained earnings	<u>3,687,376</u>	<u>43</u>	<u>3,407,490</u>	<u>36</u>	<u>3,161,056</u>	<u>34</u>
Other equity						
Exchange differences on the translation of the financial statements of foreign operations	(17,708)	-	(116,523)	(1)	(125,938)	(1)
Unrealized gain on financial assets at fair value through other comprehensive income	483,203	6	919,642	10	781,244	8
Total other equity	<u>465,495</u>	<u>6</u>	<u>803,119</u>	<u>9</u>	<u>655,306</u>	<u>7</u>
Treasury shares	(54,371)	(1)	(54,371)	-	(54,371)	-
Total equity attributable to owners of the Company	6,317,208	74	6,374,786	68	5,980,513	65
EQUITY ATTRIBUTABLE TO FORMER OWNER OF BUSINESS COMBINATION UNDER COMMON CONTROL						
	-	-	324,031	3	322,368	3
Total equity	<u>6,317,208</u>	<u>74</u>	<u>6,698,817</u>	<u>71</u>	<u>6,302,881</u>	<u>68</u>
TOTAL	<u>\$ 8,553,600</u>	<u>100</u>	<u>\$ 9,410,147</u>	<u>100</u>	<u>\$ 9,268,598</u>	<u>100</u>

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

(With Deloitte & Touche review report dated November 1, 2022)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2022		2021 (Restated)		2022		2021 (Restated)	
	Amount	%	Amount	%	Amount	%	Amount	%
NET SALES (Note 20)	\$ 874,626	100	\$ 1,580,778	100	\$ 3,320,499	100	\$ 4,669,855	100
COST OF SALES (Note 10)	<u>699,673</u>	<u>80</u>	<u>1,138,951</u>	<u>72</u>	<u>2,483,096</u>	<u>75</u>	<u>3,437,973</u>	<u>73</u>
GROSS PROFIT	<u>174,953</u>	<u>20</u>	<u>441,827</u>	<u>28</u>	<u>837,403</u>	<u>25</u>	<u>1,231,882</u>	<u>27</u>
OPERATING EXPENSES								
Selling and marketing expenses	30,910	4	40,985	3	103,269	3	126,345	3
General and administrative expenses	30,380	4	40,206	3	101,234	3	122,815	3
Research and development expenses	<u>20,944</u>	<u>2</u>	<u>21,870</u>	<u>1</u>	<u>64,061</u>	<u>2</u>	<u>61,790</u>	<u>1</u>
Total operating expenses	<u>82,234</u>	<u>10</u>	<u>103,061</u>	<u>7</u>	<u>268,564</u>	<u>8</u>	<u>310,950</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>92,719</u>	<u>10</u>	<u>338,766</u>	<u>21</u>	<u>568,839</u>	<u>17</u>	<u>920,932</u>	<u>20</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	6,019	1	3,426	-	15,499	-	10,834	-
Dividend income	27,618	3	53,833	4	40,757	1	53,833	1
Other income	6,012	1	6,217	-	16,855	-	15,533	-
Gain on disposal of property, plant and equipment	-	-	26	-	340	-	3,308	-
Gain on disposal of investments	1	-	-	-	17,808	1	8	-
Foreign exchange gain	81,102	9	-	-	136,102	4	-	-
Gain on reversal of impairment loss	871	-	1,502	-	3,876	-	4,716	-
Share of profit of associates accounted for using the equity method (Note 13)	-	-	131,236	8	-	-	152,410	3
Interest expense	(3,501)	(1)	(2,419)	-	(9,189)	-	(7,133)	-
Miscellaneous expenses	(2,008)	-	(996)	-	(11,261)	-	(6,855)	-
Loss on disposal of investments	-	-	(1)	-	-	-	-	-
Loss on lease modifications	4	-	-	-	4	-	(333)	-
Foreign exchange loss	-	-	(1,667)	-	-	-	(4,933)	-
Loss on valuation of financial assets at FVTPL	(46,207)	(5)	(33,345)	(2)	(115,155)	(3)	(13,504)	-
Share of loss of associates accounted for using the equity method (Note 13)	<u>(11,635)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>(27,940)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
Total non-operating income and expenses	<u>58,276</u>	<u>7</u>	<u>157,812</u>	<u>10</u>	<u>67,696</u>	<u>2</u>	<u>207,884</u>	<u>4</u>
PROFIT BEFORE INCOME TAX	150,995	17	496,578	31	636,535	19	1,128,816	24
INCOME TAX EXPENSE (Notes 4 and 22)	<u>(30,478)</u>	<u>(3)</u>	<u>(88,131)</u>	<u>(5)</u>	<u>(135,340)</u>	<u>(4)</u>	<u>(229,686)</u>	<u>(5)</u>
NET PROFIT FOR THE PERIOD	<u>120,517</u>	<u>14</u>	<u>408,447</u>	<u>26</u>	<u>501,195</u>	<u>15</u>	<u>899,130</u>	<u>19</u>

(Continued)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30				
	2022		2021 (Restated)		2022		2021 (Restated)		
	Amount	%	Amount	%	Amount	%	Amount	%	
OTHER COMPREHENSIVE INCOME (LOSS) (Note 19)									
Items that will not be reclassified subsequently to profit or loss:									
Unrealized gain (loss) gain on investments in equity instruments at fair value through other comprehensive income	\$ 53,367	6	\$ (93,018)	(6)	\$ (281,508)	(8)	\$ 243,129	5	
Share of the other comprehensive (loss) income of associates accounted for using the equity method	(3,583)	-	(13,799)	(1)	(24,269)	(1)	(15,399)	-	
Items that may be reclassified subsequently to profit or loss:									
Exchange differences on the translation of the financial statements of foreign operations	43,984	5	(2,447)	-	95,094	3	(4,632)	-	
Share of the other comprehensive loss of associates accounted for using the equity method	(3,403)	(1)	(1,544)	-	(2,716)	-	(1,785)	-	
Other comprehensive income (loss) for the period	90,365	10	(110,808)	(7)	(213,399)	(6)	221,313	5	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 210,882</u>	<u>24</u>	<u>\$ 297,639</u>	<u>19</u>	<u>\$ 287,796</u>	<u>9</u>	<u>\$ 1,120,443</u>	<u>24</u>	
NET PROFIT ATTRIBUTABLE TO:									
Owners of the Company	\$ 120,517	14	\$ 404,027	26	\$ 518,068	16	\$ 892,126	19	
Equity attributable to former owner of business combination under common control	-	-	4,423	-	(16,873)	(1)	6,141	-	
Non-controlling interests	-	-	(3)	-	-	-	863	-	
	<u>\$ 120,517</u>	<u>14</u>	<u>\$ 408,447</u>	<u>26</u>	<u>\$ 501,195</u>	<u>15</u>	<u>\$ 899,130</u>	<u>19</u>	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:									
Owners of the Company	\$ 210,882	24	\$ 294,796	19	\$ 301,118	9	\$ 1,114,704	24	
Equity attributable to former owner of business combination under common control	-	-	2,843	-	(13,322)	-	4,561	-	
Non-controlling interests	-	-	-	-	-	-	1,178	-	
	<u>\$ 210,882</u>	<u>24</u>	<u>\$ 297,639</u>	<u>19</u>	<u>\$ 287,796</u>	<u>9</u>	<u>\$ 1,120,443</u>	<u>24</u>	
EARNINGS PER SHARE (Note 23)									
Basic	<u>\$ 0.70</u>		<u>\$ 2.36</u>		<u>\$ 3.03</u>		<u>\$ 5.20</u>		
Diluted	<u>\$ 0.70</u>		<u>\$ 2.35</u>		<u>\$ 3.02</u>		<u>\$ 5.19</u>		

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

(With Deloitte & Touche review report dated November 1, 2022)

(Concluded)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company						Other Equity			Equity Attributable to Former Owner of Business Combination Under Common Control	Non-controlling Interests	Total Equity	
	Share Capital		Capital Surplus	Retained Earnings			Exchange Differences on the Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares				Total
	Number of Shares (In Thousands)	Share Capital		Legal Reserve	Special Reserve	Unappropriated Earnings							
BALANCE AT JANUARY 1, 2021	172,000	\$ 1,720,000	\$ 497,066	\$ 430,775	\$ 69,489	\$ 2,102,322	\$ (185,087)	\$ 577,039	\$ -	\$ 5,211,604	\$ -	\$ 40,575	\$ 5,252,179
Appropriation of 2020 earnings (Note 19)													
Legal reserve	-	-	-	79,086	-	(79,086)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(344,000)	-	-	-	(344,000)	-	-	(344,000)
Reversal of special reserve appropriated at the first-time adoption of IFRSs	-	-	-	-	(1,725)	1,725	-	-	-	-	-	-	-
Net profit for the nine months ended September 30, 2021 (restated)	-	-	-	-	-	892,126	-	-	-	892,126	6,141	863	899,130
Other comprehensive income for the nine months ended September 30, 2021 (restated)	-	-	-	-	-	-	(5,227)	227,805	-	222,578	(1,580)	315	221,313
Total comprehensive income for the nine months ended September 30, 2021 (restated)	-	-	-	-	-	892,126	(5,227)	227,805	-	1,114,704	4,561	1,178	1,120,443
Disposal of subsidiaries (Note 24)	-	-	-	-	-	(13,256)	64,376	-	-	51,120	-	-	51,120
Difference between consideration and carrying amount of subsidiaries acquired (Note 25)	-	-	1,456	-	-	-	-	-	-	1,456	-	(41,753)	(40,297)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 19)	-	-	-	-	-	23,600	-	(23,600)	-	-	-	-	-
Retrospective adjustment by equity attributable to former owner of business combination under common control	-	-	-	-	-	-	-	-	-	-	317,807	-	317,807
Buy-back of ordinary shares (Note 19)	-	-	-	-	-	-	-	-	(54,371)	(54,371)	-	-	(54,371)
BALANCE AT SEPTEMBER 30, 2021 AS RESTATED	172,000	\$ 1,720,000	\$ 498,522	\$ 509,861	\$ 67,764	\$ 2,583,431	\$ (125,938)	\$ 781,244	\$ (54,371)	\$ 5,980,513	\$ 322,368	\$ -	\$ 6,302,881
BALANCE AT JANUARY 1, 2022 AS RESTATED	172,000	\$ 1,720,000	\$ 498,548	\$ 509,861	\$ 67,764	\$ 2,829,865	\$ (116,523)	\$ 919,642	\$ (54,371)	\$ 6,374,786	\$ 324,031	\$ -	\$ 6,698,817
Appropriation of 2021 earnings (Note 19)													
Legal reserve	-	-	-	115,063	-	(115,063)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(344,000)	-	-	-	(344,000)	-	-	(344,000)
Change in capital surplus from investments in associates accounted for using the equity method	-	-	(170)	-	-	(15)	-	-	-	(185)	-	-	(185)
Net profit (loss) for the nine months ended September 30, 2022	-	-	-	-	-	518,068	-	-	-	518,068	(16,873)	-	501,195
Other comprehensive income for the nine months ended September 30, 2022	-	-	-	-	-	-	92,775	(309,725)	-	(216,950)	3,551	-	(213,399)
Total comprehensive income for the nine months ended September 30, 2022	-	-	-	-	-	518,068	92,775	(309,725)	-	301,118	(13,322)	-	287,796
Re-organization	-	-	330	-	-	(20,180)	6,040	(701)	-	(14,511)	(357,937)	-	(372,448)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 19)	-	-	-	-	-	126,013	-	(126,013)	-	-	-	-	-
Retrospective adjustment by equity attributable to former owner of business combination under common control	-	-	-	-	-	-	-	-	-	-	47,228	-	47,228
BALANCE AT SEPTEMBER 30, 2022	172,000	\$ 1,720,000	\$ 498,708	\$ 624,924	\$ 67,764	\$ 2,994,688	\$ (17,708)	\$ 483,203	\$ (54,371)	\$ 6,317,208	\$ -	\$ -	\$ 6,317,208

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

(With Deloitte & Touche review report dated November 1, 2022)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2022	2021 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 636,535	\$ 1,128,816
Adjustments for:		
Depreciation expense	343,883	299,211
Amortization expense	4,187	3,212
Net loss on valuation of financial assets at FVTPL	115,155	13,504
Interest expense	9,189	7,133
Interest income	(15,499)	(10,834)
Dividend income	(40,757)	(53,833)
Share of loss (gain) loss of associates accounted for using the equity method	27,940	(152,410)
Gain on disposal of property, plant and equipment	(340)	(3,308)
Gain on disposal of investments	(17,808)	(8)
Impairment loss (reversal of impairment loss) of non-financial assets	2,718	(31,621)
Loss on lease modifications	(4)	333
Changes in operating assets and liabilities		
Decrease (increase) in financial assets mandatorily classified as at fair value through profit or loss	102,387	(169,461)
Decrease in notes receivable from unrelated parties	30,307	14,591
Increase in trade receivables from unrelated parties	(7,365)	(214,341)
Decrease (increase) in trade receivables from related parties	226,780	(234,898)
Decrease in other receivables from unrelated parties	6,243	3,482
Decrease (increase) in other receivables from related parties	11,772	(4,173)
Decrease (increase) in inventories	90,090	(211,472)
Decrease (increase) in other current assets	9,730	(8,884)
Increase in other non-current assets	(3,894)	-
(Decrease) increase in trade payables to unrelated parties	(162,730)	158,833
Decrease in trade payables to related parties	(78,563)	(58,265)
(Decrease) increase in other payables to unrelated parties	(104,361)	43,733
Increase (decrease) in other payables to related parties	9,105	(14,105)
Decrease in other current liabilities	(1,830)	(11,005)
Decrease in net defined benefit liabilities	(17,396)	(1,664)
Cash generated from operations	1,175,474	492,566
Interest received	17,176	9,805
Dividend received	40,757	44,541
Interest paid	(8,917)	(7,123)
Income tax paid	(149,142)	(138,462)
Net cash generated from operating activities	<u>1,075,348</u>	<u>401,327</u>

(Continued)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2022	2021 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (199,688)	\$ -
Disposal of financial assets at fair value through other comprehensive income	252,777	42,758
Purchase of financial assets at amortized cost	(113,985)	-
Disposal of financial assets at amortized cost	182,392	194,838
Purchase of financial assets at FVTPL	-	(64,793)
Purchase of investments accounted for using the equity method (Note 13)	(379,627)	(47,073)
Net cash inflow on disposal of subsidiaries (Note 24)	-	356,845
Payments for property, plant and equipment	(312,316)	(518,146)
Proceeds from disposal of property, plant and equipment	406	8,076
(Increase) decrease in refundable deposits	(765)	4,730
Acquisition of intangible assets	(3,000)	-
Net cash used in investing activities	<u>(573,806)</u>	<u>(22,765)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	30,000	30,000
Refund of guarantee deposits received	(3,621)	(2,101)
Repayment of the principal portion of lease liabilities	(26,020)	(21,825)
Cash dividend paid to owners of the Company	(344,000)	(344,000)
Payments for buy-back of ordinary shares	-	(54,371)
Increase in non-controlling interests	-	(40,297)
Net cash used in financing activities	<u>(343,641)</u>	<u>(432,594)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>71,595</u>	<u>(3,620)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	229,496	(57,652)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,312,198</u>	<u>1,223,228</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 1,541,694</u>	<u>\$ 1,165,576</u>

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

(With Deloitte & Touche review report dated November 1, 2022)

(Concluded)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

Prosperity Dielectrics Co., Ltd. (PDC or the “Company”) was incorporated on May 21, 1990. The Company mainly manufactures, processes and sells multilayer ceramic capacitors (MLCC), chip resistors, ceramic dielectric powders and magnetic elements.

The Company’s shares have been listed on the mainboard of the Taipei Exchange (TPEX) since April 19, 2002. The parent company, Walsin Technology Corporation, held 43.13% of the common shares of the Company as of September 30, 2022 and 2021.

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

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on November 1, 2022.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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

- 1) Annual Improvements to IFRS Standards 2018-2020

Several standards were amended in the annual improvements and in which the Group applied the amendments to IFRS 9 to modifications and exchanges of financial liabilities that occur on or after January 1, 2022. IFRS 9 requires the comparison of the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, with that of the cash flows under the original financial liability when there is an exchange or modification of debt instruments. The new terms and the original terms are substantially different if the difference between those discounted present values is at least 10%. The amendments to IFRS 9 clarify that the only fees that should be included in the above assessment are those fees paid or received between the borrower and the lender.

- 2) Amendments to IFRS 3 “Reference to the Conceptual Framework”

The Group applied the amendments to business combinations for which the acquisition date is on or after January 1, 2022. The amendments replace the references to the Conceptual Framework of IFRS 3 and specify that the acquirer shall apply IFRIC 21 “Levies” to determine whether the event that gives rise to a liability for a levy has occurred at the acquisition date.

3) Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”

The Group applied the amendments to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021. The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of those items is measured in accordance with IAS 2 “Inventories”. Any proceeds from selling those items and the cost of those items are recognized in profit or loss in accordance with applicable standards.

4) Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”

The Group applied the amendments to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022. The amendments specify that when assessing whether a contract is onerous, the “cost of fulfilling a contract” includes both the incremental costs of fulfilling that contract (for example, direct labor and materials) and an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of depreciation for an item of property, plant and equipment used in fulfilling the contract).

b. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occur on or after January 1, 2022.

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

- c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendment to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023

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

Note 2: A seller-lessee shall apply the amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

- b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

See Note 11, Tables 6 and 7 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2021.

1) Retirement benefits

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

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The management of the Group considers the recent development of the COVID-19 in Taiwan and its economic environment implications when making its critical accounting estimates in cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

6. CASH AND CASH EQUIVALENTS

	September 30, 2022	December 31, 2021	September 30, 2021
Cash on hand	\$ 575	\$ 494	\$ 462
Checking accounts and demand deposits	429,356	536,711	516,271
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	730,211	255,866	136,739
Repurchase agreements collateralized by bonds	<u>381,552</u>	<u>519,127</u>	<u>512,104</u>
	<u>\$ 1,541,694</u>	<u>\$ 1,312,198</u>	<u>\$ 1,165,576</u>

The market rate intervals of cash equivalents were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Time deposits with original maturities of 3 months or less	1.1%-3.35%	1.1%-2.4%	1.1%-2.65%
Repurchase agreements collateralized by bonds	2.5%-2.95%	0.23%-0.24%	0.21%-0.25%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2022	December 31, 2021	September 30, 2021
Financial assets mandatorily classified as at <u>FVTPL - current</u>			
Non-derivative financial assets			
Domestic listed shares	\$ 241,783	\$ 389,047	\$ 342,545
Mutual funds	45,458	56,934	43,250
Government bonds	<u>45,091</u>	<u>86,085</u>	<u>85,399</u>
	<u>\$ 332,332</u>	<u>\$ 532,066</u>	<u>\$ 471,194</u>

8. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ 75,294	\$ 247,885	\$ 116,744
Restricted deposits (b)	<u>5,011</u>	<u>14,812</u>	<u>23,318</u>
	<u>\$ 80,305</u>	<u>\$ 262,697</u>	<u>\$ 140,062</u>

(Continued)

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Non-current</u>			
Time deposits with original maturities of more than 1 year (a)	\$ -	\$ 43,476	\$ 172,486
Corporate bonds - TSMC Arizona Corp. (c)	95,152	-	-
Corporate bonds - Amazon.com, Inc. (c)	<u>62,309</u>	<u>-</u>	<u>-</u>
	<u>\$ 157,461</u>	<u>\$ 43,476</u>	<u>\$ 172,486</u> (Concluded)

- a. The ranges of interest rates for time deposits with original maturities of more than 3 months and 1 year were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Time deposits with original maturities of more than 3 months	1.3%-4.125%	0.8%-3.15%	0.8%-2.25%
Time deposits with original maturities of more than 1 year	-	4.125%	3.15%-4.125%

- b. These foreign currency deposits are repatriated and held in a special account in accordance with the regulations stipulated in “The Management, Utilization, and Taxation of Repatriated Offshore Funds Act”.

- c. The corporate bonds held by the Group at the balance sheet date were as follows:

Period	Face Value	Range of Coupon Rate	Range of Effective Interest Rate
June 2022	USD5,000,000	3.3%-3.875%	3.7563%-3.8992%

9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Notes receivable from unrelated parties</u>			
At amortized cost			
Gross carrying amount	\$ 20,575	\$ 50,882	\$ 45,634
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 20,575</u>	<u>\$ 50,882</u>	<u>\$ 45,634</u> (Continued)

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Trade receivables from unrelated parties</u>			
At amortized cost			
Gross carrying amount	\$ 773,590	\$ 767,367	\$ 966,256
Less: Allowance for impairment loss	<u>(23,207)</u>	<u>(24,349)</u>	<u>(24,404)</u>
	<u>\$ 750,383</u>	<u>\$ 743,018</u>	<u>\$ 941,852</u> (Concluded)

The average credit period of sales of goods is 0 to 120 days. The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for notes receivable and trade receivables at an amount equal to lifetime ECLs. The expected credit losses on notes receivable and trade receivables are estimated by reference to the past default experience of the customers and the customers' current financial positions. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the Group determines the expected credit loss rate only by reference to the past due days of notes receivable and accounts receivable.

The Group writes off a note receivable or trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of notes receivable and trade receivables based on past default experience with the customers and the customers' current financial positions.

September 30, 2022

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 90 Days Past Due	91 to 180 Days Past Due	Over 180 Days Past Due	Total
Expected credit loss rate	1%-4%	5%	10%	20%	50%	100%	
Gross carrying amount	\$ 772,627	\$ 17,427	\$ -	\$ 4,111	\$ -	\$ -	\$ 794,165
Loss allowance (Lifetime ECLs)	<u>(21,514)</u>	<u>(871)</u>	<u>-</u>	<u>(822)</u>	<u>-</u>	<u>-</u>	<u>(23,207)</u>
Amortized cost	<u>\$ 751,113</u>	<u>\$ 16,556</u>	<u>\$ -</u>	<u>\$ 3,289</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 770,958</u>

December 31, 2021

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 90 Days Past Due	91 to 180 Days Past Due	Over 180 Days Past Due	Total
Expected credit loss rate	1%-4%	5%	10%	20%	50%	100%	
Gross carrying amount	\$ 797,549	\$ 11,350	\$ 7,894	\$ 204	\$ 1,252	\$ -	\$ 818,249
Loss allowance (Lifetime ECLs)	<u>(22,326)</u>	<u>(567)</u>	<u>(789)</u>	<u>(41)</u>	<u>(626)</u>	<u>-</u>	<u>(24,349)</u>
Amortized cost	<u>\$ 775,223</u>	<u>\$ 10,783</u>	<u>\$ 7,105</u>	<u>\$ 163</u>	<u>\$ 626</u>	<u>\$ -</u>	<u>\$ 793,900</u>

September 30, 2021

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 90 Days Past Due	91 to 180 Days Past Due	Over 180 Days Past Due	Total
Expected credit loss rate	1%-4%	5%	10%	20%	50%	100%	
Gross carrying amount	\$ 986,650	\$ 25,034	\$ 184	\$ 22	\$ -	\$ -	\$ 1,011,890
Loss allowance (Lifetime ECLs)	<u>(23,130)</u>	<u>(1,252)</u>	<u>(18)</u>	<u>(4)</u>	<u>-</u>	<u>-</u>	<u>(24,404)</u>
Amortized cost	<u>\$ 963,520</u>	<u>\$ 23,782</u>	<u>\$ 166</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 987,486</u>

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

	<u>For the Nine Months Ended September 30</u>	
	<u>2022</u>	<u>2021</u>
Balance at January 1	\$ 24,349	\$ 24,410
Less: Transfers to delinquent receivables	(1,242)	-
Foreign exchange differences	<u>100</u>	<u>(6)</u>
Balance at September 30	<u>\$ 23,207</u>	<u>\$ 24,404</u>

10. INVENTORIES

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Finished goods	\$ 223,993	\$ 246,345	\$ 196,120
Semi-finished goods	91,124	74,745	73,802
Work in progress	128,247	128,389	189,526
Raw materials	273,993	362,538	364,433
Inventory in transit	<u>6,529</u>	<u>8,553</u>	<u>1,124</u>
	<u>\$ 723,886</u>	<u>\$ 820,570</u>	<u>\$ 825,005</u>

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

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cost of inventories sold	\$ 697,680	\$ 1,147,762	\$ 2,476,502	\$ 3,464,878
Inventory write-downs (reversed)	<u>1,993</u>	<u>(8,811)</u>	<u>6,594</u>	<u>(26,905)</u>
	<u>\$ 699,673</u>	<u>\$ 1,138,951</u>	<u>\$ 2,483,096</u>	<u>\$ 3,437,973</u>

The reversal of inventory write-downs is due to the removal of the inventory that was previously recognized as inventory write-downs.

11. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		
			September 30, 2022	December 31, 2021	September 30, 2021
Prosperity Dielectrics Co., Ltd.	PDC Prime Holdings Limited	Investment holding	100	100	100
Prosperity Dielectrics Co., Ltd.	Frontec International Corporation	Overseas investment	100	100	100
PDC Prime Holdings Limited	PDC Success Investments Ltd.	Investment holding	100	100	100
PDC Prime Holdings Limited	Frontier Components Co., Limited	International trade	100	100	100
PDC Prime Holdings Limited	Prosperity International Development (HK) Co., Limited	Investment holding	100	100	100
PDC Success Investments Ltd.	PDC Electronics (Suzhou) Co., Ltd.	Manufacturing of electronic components and ceramic materials	100	100	100
Frontec International Corporation	Prosperity Frontier Electronics (Shenzhen) Co., Ltd.	Manufacturing and selling chip components, power electronic devices and new electronic components	100	100	100 (Note 1)
Frontier Components Co., Limited	Dongguan Frontier Electronics Co., Ltd.	Selling of electronic components	100	100	100
Dongguan Frontier Electronics Co., Ltd.	Prosperity Frontier Electronics (Guangzhou) Co., Ltd.	Manufacturing and selling chip components, power electronic devices and new electronic components	100	100	100 (Note 2)

Note 1: In May 2021, Frontec International Corporation acquired 30% of the shares of Prosperity Frontier Electronics (Shenzhen) Co., Ltd. from the third party.

Note 2: Prosperity Frontier Electronics (Guangzhou) Co., Ltd. was established in May 2021.

The financial statements of the above-mentioned subsidiaries included in the consolidated financial statements have been reviewed for the nine months ended September 30, 2022 and 2021 and have been audited for the year ended December 31, 2021.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Non-current</u>			
Domestic investments - listed shares	\$ 1,041,462	\$ 1,448,999	\$ 1,313,564
Domestic investments - unlisted shares	<u>225,345</u>	<u>158,075</u>	<u>134,070</u>
	<u>\$ 1,266,807</u>	<u>\$ 1,607,074</u>	<u>\$ 1,447,634</u>

Investments in Equity Instruments at FVTOCI

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Non-current</u>			
Domestic investments - listed shares			
Walton Advanced Engineering Inc.	\$ 373,412	\$ 601,608	\$ 547,351
Walsin Lihwa Corporation	445,079	185,500	176,400
HannStar Board Corporation	164,948	257,342	232,118
Singatron Enterprise Co., Ltd.	-	329,642	319,341
APAQ Technology Co., Ltd.	29,523	44,857	38,354
Fubon Financial Holding Co., Ltd. Preferred Shares C	28,500	30,050	-
Domestic investments - unlisted shares			
Chin-Xin Investment Co., Ltd.	141,474	158,075	134,070
Hwa Bao Botanic Conservation Corp.	<u>83,871</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,266,807</u>	<u>\$ 1,607,074</u>	<u>\$ 1,447,634</u>

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

In June 2022, the Group paid \$80,000 thousand to subscribed new shares for cash issued by Hwa Bao Botanic Conservation Corp., and its interest in Hwa Bao Botanic Conservation Corp. is 10%.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	September 30, 2022	December 31, 2021 (Restated)	September 30, 2021 (Restated)
Chongqing Shuohong Investment Co., Ltd.	\$ 585,288	\$ 580,006	\$ 564,457
Chongqing Xincheng Electronics Co., Ltd.	43,751	44,730	44,066
GHPW Enterprise Corporation (HK) Limited	63,709	62,330	62,314
Tsai Yi Corporation (Before the name changed in June 2022, it was Walsin Color Corporation)	76,163	104,364	95,871
Joyin Co., Ltd.	<u>414,046</u>	<u>366,824</u>	<u>369,172</u>
	<u>\$ 1,182,957</u>	<u>\$ 1,158,254</u>	<u>\$ 1,135,880</u>

Share of profit or loss of associates for the three months ended September 30, 2022 and 2021 after restated and for the nine months ended September 30, 2022 and 2021 after restated was summarized as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021 (Restated)	2022	2021 (Restated)
Chongqing Shuohong Investment Co., Ltd.	\$ (15,296)	\$ 124,525	\$ (12,190)	\$ 123,171
Chongqing Xincheng Electronics Co., Ltd.	(2,537)	(260)	(2,311)	18,541
GHPW Enterprise Corporation (HK) Limited	(86)	5,110	(293)	4,782
Tsai Yi Corporation	1,321	(2,379)	587	(42)
Joyin Co., Ltd.	<u>4,963</u>	<u>4,240</u>	<u>(13,733)</u>	<u>5,958</u>
	<u>\$ (11,635)</u>	<u>\$ 131,236</u>	<u>\$ (27,940)</u>	<u>\$ 152,410</u>

At the end of the reporting period, the proportion of ownership and voting rights in associates held by the Group was as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Chongqing Shuohong Investment Co., Ltd.	20.43%	20.43%	20.43%
Chongqing Xincheng Electronics Co., Ltd.	13.04%	13.04%	13.04%
GHPW Enterprise Corporation (HK) Limited	10%	10%	10%
Tsai Yi Corporation	3.36%	3.36%	3.36%
Joyin Co., Ltd.	30.4%	4.09%	4.09%

Even though PDC holds less than 20% of the voting rights each in Chongqing Xincheng Electronics Co., Ltd., GHPW Enterprise Corporation (HK) Limited, Tsai Yi Corporation, INPAQ Technology Co Ltd. and Joyin Co., Ltd., its parent company, Walsin Technology Corporation, exercises significant influence over those companies; therefore, they are accounted for using the equity method.

In January 2022, the Group subscribed new shares for cash issued by Joyin Co., Ltd. at a percentage different from its existing ownership percentage, and reduced its continuing interest from 4.09% to 4.02%.

In June 2022, the board of directors of Prosperity Dielectrics Co., Ltd. approved to acquire 17,519 thousand shares and 3,058 thousand shares of Joyin Co., Ltd. from the related parties, INPAQ Technology Co., Ltd. and Walsin Technology Corporation, respectively. After this acquisition of equity, the proportion of shares held by PDC rose from 4.02% to 30.4%. Such acquisition is a reorganization under common control and a business combination from the beginning as the consolidated financial statements for the comparative period are retrospectively restated, refer to Note 30.

Refer to Table 6 “Information on Investments” and Table 7 “Information on Investments in Mainland China” for the nature of activities, principal places of business and countries of incorporation of the associates.

Except for Joyin Co., Ltd., the share of profit or loss and other comprehensive income of the investments in associates accounted for using the equity method for the nine months ended September 30, 2022 and 2021 was recognized based on the associates’ financial statements reviewed by independent accountants for the same periods. In addition, the financial statements for the nine months ended September 30, 2021 of Tsai Yi Corporation was reviewed by other independent accountant.

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Office Equipment	Other Equipment	Property under Construction and Prepayments for Equipment	Total
Cost							
Balance at January 1, 2021	\$ 302,220	\$ 1,112,664	\$ 2,520,276	\$ 48,992	\$ 221,077	\$ 82,493	\$ 4,287,722
Additions	-	19	5,677	-	33	638,439	644,168
Disposals	-	(3,076)	(55,285)	-	(1,236)	(3,270)	(62,867)
Disposal of subsidiaries	-	(194,692)	(274,304)	(11,254)	(16,187)	(504)	(496,941)
Effect of foreign currency exchange differences	-	356	360	21	11	10	758
Reclassifications	-	99,365	561,678	5,560	26,590	(618,073)	75,120
Balance at September 30, 2021	<u>\$ 302,220</u>	<u>\$ 1,014,636</u>	<u>\$ 2,758,402</u>	<u>\$ 43,319</u>	<u>\$ 230,288</u>	<u>\$ 99,095</u>	<u>\$ 4,447,960</u>
Accumulated depreciation and impairment							
Balance at January 1, 2021	\$ -	\$ 657,748	\$ 1,432,022	\$ 28,848	\$ 168,753	\$ -	\$ 2,287,371
Depreciation expenses	-	61,910	197,358	4,622	12,480	-	276,370
Disposals	-	(3,076)	(54,018)	-	(1,231)	-	(58,325)
Disposal of subsidiaries	-	(66,899)	(238,162)	(8,412)	(11,803)	-	(325,276)
Reversals of impairment losses	-	(4,200)	(516)	-	-	-	(4,716)
Effects of foreign currency exchange differences	-	45	331	13	10	-	399
Reclassifications	-	5,702	69,692	-	1,428	-	76,822
Balance at September 30, 2021	<u>\$ -</u>	<u>\$ 651,230</u>	<u>\$ 1,406,707</u>	<u>\$ 25,071</u>	<u>\$ 169,637</u>	<u>\$ -</u>	<u>\$ 2,252,645</u>
Carrying amount at September 30, 2021	<u>\$ 302,220</u>	<u>\$ 363,406</u>	<u>\$ 1,351,695</u>	<u>\$ 18,248</u>	<u>\$ 60,651</u>	<u>\$ 99,095</u>	<u>\$ 2,195,315</u>
Cost							
Balance at January 1, 2022	\$ 302,220	\$ 1,025,510	\$ 2,824,847	\$ 46,650	\$ 234,853	\$ 114,906	\$ 4,548,986
Additions	-	1	1,702	-	-	154,969	156,672
Disposals	-	(149)	(5,715)	(82)	(4,637)	-	(10,583)
Effect of foreign currency exchange differences	-	5,893	8,510	48	1,192	8	15,651
Reclassifications	-	14,561	157,783	3,566	7,647	(177,642)	5,915
Balance at September 30, 2022	<u>\$ 302,220</u>	<u>\$ 1,045,816</u>	<u>\$ 2,987,127</u>	<u>\$ 50,182</u>	<u>\$ 239,055</u>	<u>\$ 92,241</u>	<u>\$ 4,716,641</u>
Accumulated depreciation and impairment							
Balance at January 1, 2022	\$ -	\$ 671,534	\$ 1,457,043	\$ 26,705	\$ 175,030	\$ -	\$ 2,330,312
Depreciation expenses	-	66,186	231,742	4,970	14,891	-	317,789
Disposals	-	(149)	(5,649)	(82)	(4,637)	-	(10,517)
Impairment losses recognized	-	-	632	-	-	-	632
Reversals of impairment losses	-	(4,508)	-	-	-	-	(4,508)
Effects of foreign currency exchange differences	-	4,986	5,873	43	1,157	-	12,059
Reclassifications	-	6,011	(97)	-	1,529	-	7,443
Balance at September 30, 2022	<u>\$ -</u>	<u>\$ 744,060</u>	<u>\$ 1,689,544</u>	<u>\$ 31,636</u>	<u>\$ 187,970</u>	<u>\$ -</u>	<u>\$ 2,653,210</u>
Carrying amount at September 30, 2022	<u>\$ 302,220</u>	<u>\$ 301,756</u>	<u>\$ 1,297,583</u>	<u>\$ 18,546</u>	<u>\$ 51,085</u>	<u>\$ 92,241</u>	<u>\$ 2,063,431</u>

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

Buildings	
Main buildings	15-41 years
Electrical mechanical and power equipment	2-21 years
Engineering system	2-25 years
Others	2-35 years
Machinery and equipment	2-12 years
Office equipment	3-5 years
Other equipment	2-10 years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2022	December 31, 2021	September 30, 2021	
<u>Carrying amount</u>				
Land	\$ 148,663	\$ 163,960	\$ 159,994	
Buildings	46,136	11,200	10,378	
Transportation equipment	<u>1,448</u>	<u>1,250</u>	<u>1,475</u>	
	<u>\$ 196,247</u>	<u>\$ 176,410</u>	<u>\$ 171,847</u>	
	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2022	2021	2022	2021
Additions of right-of-use assets	<u>\$ 803</u>	<u>\$ 377</u>	<u>\$ 46,041</u>	<u>\$ 7,111</u>
Depreciation charge for right-of-use assets				
Land	\$ 5,183	\$ 4,974	\$ 15,549	\$ 14,942
Buildings	3,601	2,679	10,239	7,498
Transportation equipment	<u>76</u>	<u>159</u>	<u>306</u>	<u>401</u>
	<u>\$ 8,860</u>	<u>\$ 7,812</u>	<u>\$ 26,094</u>	<u>\$ 22,841</u>

Except for the recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets for the nine months ended September 30, 2022 and 2021.

b. Lease liabilities

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Carrying amount</u>			
Current	<u>\$ 36,154</u>	<u>\$ 25,573</u>	<u>\$ 25,973</u>
Non-current	<u>\$ 163,785</u>	<u>\$ 154,131</u>	<u>\$ 148,679</u>

The discount rates of lease liabilities were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Land	1%	1%	1%
Buildings	1%	1%	1%
Transportation equipment	1%	1%	1%

16. BORROWINGS

a. Short-term borrowings

	September 30, 2022	December 31, 2021	September 30, 2021
Unsecured borrowings			
Line of credit borrowings	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>
Interest rate	1.403%	-	0.75%

b. Long-term borrowings

	September 30, 2022	December 31, 2021	September 30, 2021
E.SUN Commercial Bank			
Line of credit borrowings: The loan limit is NT\$600,000 thousand. Repayment of the principal will be made in 24 equal monthly payments starting 2 years before the maturity date.			
Loan period			
2019.12.26-2024.12.15	\$ 198,724	\$ 197,980	\$ 197,736
2020.04.09-2024.12.15	99,362	98,990	98,868
2020.07.09-2025.06.15	79,294	78,996	78,899
2020.08.07-2025.06.15	99,117	98,946	98,624
2021.11.09-2025.06.15	59,470	59,247	-

Taishin International Bank

Line of credit borrowings: The loan limit is NT\$600,000 thousand. Repayment of the principal will be made in 24 equal monthly payments starting 2 years before the maturity date.

Loan period

2019.12.10-2024.12.10	99,403	99,033	98,910
2020.04.29-2024.12.10	99,403	99,033	98,910

(Continued)

	September 30, 2022	December 31, 2021	September 30, 2021
First Commercial Bank			
Line of credit borrowings: The loan limit is NT\$900,000 thousand. Repayment of the principal will be made in 24 equal monthly payments starting 2 years before the maturity date.			
Loan period			
2020.03.02-2025.03.02	\$ 94,317	\$ 93,964	\$ 93,848
Less: Current portion	<u>(253,542)</u>	<u>(8,333)</u>	<u>-</u>
Long-term borrowings	<u>\$ 575,548</u>	<u>\$ 817,656</u>	<u>\$ 765,795</u>
Interest rate	0.95%-1.1%	0.45%-0.6%	0.45%-0.6% (Concluded)

17. OTHER LIABILITIES

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Payables expense	\$ 343,638	\$ 418,547	\$ 406,001
Payables for purchases of equipment	88,361	235,401	297,316
Payables for annual leave	6,356	7,362	7,673
Payables for remuneration of directors and supervisors and employee bonuses	22,658	50,832	39,611
Payables for dividends	<u>500</u>	<u>500</u>	<u>500</u>
	<u>\$ 461,513</u>	<u>\$ 712,642</u>	<u>\$ 751,101</u>
<u>Non-current</u>			
Deferred revenue			
Arising from government grants	<u>\$ 5,910</u>	<u>\$ 9,011</u>	<u>\$ 9,205</u>

18. PROVISIONS

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Employee benefits (presented in other payables)	<u>\$ 6,356</u>	<u>\$ 7,362</u>	<u>\$ 7,673</u>

The provision for employee benefits represents the accrual of employees' vested service leave entitlement.

19. EQUITY

a. Share capital

Common shares

	September 30, 2022	December 31, 2021	September 30, 2021
Authorized shares (in thousands of shares)	<u>220,000</u>	<u>220,000</u>	<u>220,000</u>
Authorized capital	<u>\$ 2,200,000</u>	<u>\$ 2,200,000</u>	<u>\$ 2,200,000</u>
Issued and paid shares (in thousands of shares)	<u>172,000</u>	<u>172,000</u>	<u>172,000</u>
Issued capital	<u>\$ 1,720,000</u>	<u>\$ 1,720,000</u>	<u>\$ 1,720,000</u>

Shares issued with par value of \$10 carry one vote per share and the right to dividends.

b. Capital surplus

	September 30, 2022	December 31, 2021	September 30, 2021
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Issuance of common shares	\$ 402,192	\$ 402,192	\$ 402,192
Conversion of bonds	55,484	55,484	55,484
Treasury share transactions	28,889	28,889	28,889
Difference between consideration and carrying amount of subsidiaries acquired	1,456	1,456	1,456
<u>May only be used to offset a deficit</u>			
Share of changes in capital surplus of associates accounted for using the equity method	<u>10,687</u>	<u>10,527</u>	<u>10,501</u>
	<u>\$ 498,708</u>	<u>\$ 498,548</u>	<u>\$ 498,522</u>

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

c. Retained earnings and dividend policy

Under the dividend policy as set forth in PDC's articles of incorporation (the "Articles"), where PDC made a profit in a fiscal year, the profit shall be first used to offset losses of previous years, setting aside as legal reserve 10% of the remaining profit until the legal reserve equals PDC's paid-in capital. After setting aside or reversing a special reserve in accordance with the law and regulations, additional appropriations may be made to the special reserve depending on business needs. Any remaining profit together with any undistributed retained earnings shall be used by PDC's board of directors as the basis of proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of the compensation of employees and remuneration of directors and supervisors, refer to compensation of employees and remuneration of directors and supervisors in Note 21-b.

In addition to the distribution of dividends in accordance with the Articles, cash dividends are limited to 50% of the total dividends distributed. The remaining retained earnings shall be distributed in the form of share dividends. However, should the Company obtain sufficient funds to meet its capital requirements during the current year, the cash distribution ratio can be raised to 100%. The Company should decide on the most appropriate dividend distribution policy and the form of payment based on the current year's actual operating condition, taking into consideration the following year's capital budget plans.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for the years ended December 31, 2021 and 2020 which were approved in the shareholders' meetings on June 14, 2022 and July 6, 2021, respectively, were as follows:

	<u>For the Year Ended December 31</u>	
	2021	2020
Legal reserve	\$ 115,063	\$ 79,086
Cash dividends	344,000	344,000
Cash dividends per share (NT\$)	2	2

d. Special reserve

The movements of special reserve were as follows:

	<u>For the Nine Months Ended</u>	
	<u>September 30</u>	
	2022	2021
Balance at January 1	\$ 67,764	\$ 69,489
Reversal		
Disposal of subsidiary	_____ -	_____ (1,725)
Balance at September 30	<u>\$ 67,764</u>	<u>\$ 67,764</u>

On the first-time adoption of IFRSs, a proportionate share of special reserve relating to exchange differences on translation of the financial statements of foreign operations (including the subsidiaries of the Company) will be reversed on the Group's disposal of foreign operations; on the Group's loss of significant influence, however, the entire special reserve will be reversed. Additional special reserve should be appropriated for the amount equal to the difference between net debit balance reserves and the special reserve appropriated on the first-time adoption of IFRSs. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses; the reversed amount may be distributed.

e. Other equity items

The movements of other equity items were as follows:

	For the Nine Months Ended September 30, 2022		
	Exchange Differences on the Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain/(Loss) on Financial Assets at FVTOCI	Total
Balance at January 1	\$ (116,523)	\$ 919,642	\$ 803,119
Exchange differences on the translation of the net assets of foreign operations	95,094	-	95,094
Unrealized gain on investments in equity instruments at FVTOCI	-	(281,508)	(281,508)
Share from associates accounted for using the equity method	(2,319)	(28,217)	(30,536)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	-	(126,013)	(126,013)
Re-organization	<u>6,040</u>	<u>(701)</u>	<u>5,339</u>
Balance at September 30	<u>\$ (17,708)</u>	<u>\$ 483,203</u>	<u>\$ 465,495</u>

	For the Nine Months Ended September 30, 2021		
	Exchange Differences on the Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain/(Loss) on Financial Assets at FVTOCI	Total
Balance at January 1	\$ (185,087)	\$ 577,039	\$ 391,952
Exchange differences on the translation of the net assets of foreign operations	(4,947)	-	(4,947)
Unrealized gain on investments in equity instruments at FVTOCI	-	243,129	243,129
Share from associates accounted for using the equity method	(280)	(15,324)	(15,604)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	-	(23,600)	(23,600)
Disposal of foreign operations	<u>64,376</u>	<u>-</u>	<u>64,376</u>
Balance at September 30	<u>\$ (125,938)</u>	<u>\$ 781,244</u>	<u>\$ 655,306</u>

f. Treasury shares

- 1) Movements of the treasury shares for the nine months ended September 30, 2022 and 2021 were as follows:

Unit: In Thousands of Shares

Purpose of Buy-back	For the Nine Months Ended September 30, 2022			
	Number of Shares at January 1, 2022	Increase During the Period	Decrease During the Period	Number of Shares at September 30, 2022
Shares transferred to employees	800	-	-	800
Purpose of Buy-back	For the Nine Months Ended September 30, 2021			
	Number of Shares at January 1, 2021	Increase During the Period	Decrease During the Period	Number of Shares at September 30, 2021
Shares transferred to employees	-	800	-	800

- 2) As of September 30, 2022 and 2021, the amount of PDC's treasury shares was \$54,371 thousand.
- 3) The buy-back shares shall be transferred to employees at one time or in installments within 5 years from the date of purchase. All employees of the Company and employees of the Company's subsidiaries in which the Company directly or indirectly holds more than 50% of the voting shares on the subscription date are eligible to subscribe.
- 4) The Securities and Exchange Act stipulates that the proportion of the number of shares that a company can buy back must not exceed 10% of the company's total issued shares. The total amount of shares purchased must not exceed retained earnings plus the amount of issued share premium and realized capital surplus. For the nine months ended September 30, 2022 and 2021, the Company held a maximum of 800 thousand shares as treasury shares, and the total amount of shares purchased was \$54,371 thousand, which complies with the provisions of the Securities and Exchange Act.
- 5) Treasury shares held by PDC shall not be pledged in accordance with the provisions of the Securities and Exchange Act, and shall not enjoy shareholder rights.

20. OPERATING REVENUE

Disaggregation of revenue based on customer segments by geographical region

Region	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Asia	\$ 709,387	\$ 1,402,871	\$ 2,769,657	\$ 4,181,221
America	117,568	112,839	377,955	282,281
Europe	47,661	63,634	172,517	204,346
Other	<u>10</u>	<u>1,434</u>	<u>370</u>	<u>2,007</u>
	<u>\$ 874,626</u>	<u>\$ 1,580,778</u>	<u>\$ 3,320,499</u>	<u>\$ 4,669,855</u>

The customer's location of operations is the basis for calculating the disaggregation of revenue based on customer segments by geographical region.

21. EMPLOYEE BENEFITS EXPENSE, DEPRECIATION AND AMORTIZATION

- a. The employee benefits expense, depreciation and amortization incurred in the current period are summarized according to their functions as follows:

	For the Three Months Ended September 30					
	2022			2021		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Short-term employee benefits						
Salaries and wages	\$ 96,535	\$ 33,901	\$ 130,436	\$ 129,041	\$ 53,091	\$ 182,132
Labor/health insurance	10,541	2,548	13,089	10,185	2,763	12,498
Pension	3,948	1,094	5,042	3,794	1,031	4,825
Other employee benefits	6,415	1,188	7,603	7,102	1,337	8,439
Depreciation	109,274	7,107	116,381	97,453	7,158	104,611
Amortization	952	351	1,303	799	270	1,069
	For the Nine Months Ended September 30					
	2022			2021		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Short-term employee benefits						
Salaries and wages	\$ 334,707	\$ 116,146	\$ 450,853	\$ 376,541	\$ 143,098	\$ 519,639
Labor/health insurance	32,759	8,606	41,365	34,273	9,133	43,406
Pension	11,936	3,345	15,281	10,722	3,193	13,915
Other employee benefits	20,506	3,963	24,469	21,785	4,304	26,089
Depreciation	321,276	22,607	343,883	277,269	21,942	299,211
Amortization	3,108	1,079	4,187	2,402	810	3,212

The number of employees of the Group as of September 30, 2022 and 2021 was 891 and 974, respectively.

b. Compensation of employees and remuneration of directors

According to the Company's Articles, PDC accrues compensation of employees and remuneration of directors at rates of 2%-10% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The estimated compensation of employees and remuneration of directors for the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021 are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
<u>Accrual rate</u>				
Compensation of employees	2.5%	2.5%	2.5%	2.5%
Remuneration of directors	1%	1%	1%	1%
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
<u>Amount</u>				
Compensation of employees	\$ 3,406	\$ 12,191	\$ 16,185	\$ 28,298
Remuneration of directors	\$ 1,363	\$ 4,870	\$ 6,474	\$ 11,313

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The compensation of employees and remuneration of directors and supervisors for the years ended December 31, 2021 and 2020, which were approved by the Company's board of directors and paid on February 22, 2022 and February 25, 2021, respectively, are as follows. The differences were adjusted to profit and loss for the years ended December 31, 2022 and 2021.

	For the Year Ended December 31			
	2021		2020	
	Cash	Shares	Cash	Shares
Compensation of employees				
Amounts approved in the board of directors' meeting	\$ 36,309	\$ -	\$ 24,772	\$ -
Actual amounts paid	36,303	-	24,743	-
Remuneration of directors and supervisors				
Amounts approved in the board of directors' meeting	14,523	-	9,909	-
Actual amounts paid	14,523	-	9,909	-

Information on the compensation of employees and remuneration of directors and supervisors resolved by the Company's board of directors in 2022 and 2021 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

22. INCOME TAXES

a. Income tax expense recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Current tax				
In respect of the current year	\$ 30,484	\$ 88,256	\$ 155,960	\$ 229,811
Adjustment for the prior year	<u>(6)</u>	<u>(125)</u>	<u>(20,620)</u>	<u>(125)</u>
Income tax expense recognized in profit or loss	<u>\$ 30,478</u>	<u>\$ 88,131</u>	<u>\$ 135,340</u>	<u>\$ 229,686</u>

In July 2019, the president of the ROC announced “The Management, Utilization, and Taxation of Repatriated Offshore Funds Act”, which allowed the decrease in tax rate from 20% to 8%-10% for enterprises that applied and repatriated funds from August 15, 2019 to August 14, 2021. The repatriated funds shall be deposited in restricted foreign currency deposit accounts, and the tax will be deducted from the receiving bank once the funds are deposited.

In July 2019, the president of the ROC announced the amendments to the Statute for Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings. When calculating the tax on unappropriated earnings, the Group only deducts the amount of the unappropriated earnings that has been reinvested in capital expenditure.

b. PDC’s income tax returns through 2020 have been assessed by the tax authorities.

23. EARNINGS PER SHARE

Earnings per share for the nine months ended September 30, 2022 and 2021 were as follows:

	For the Nine Months Ended September 30, 2022		
	Amount (In Thousands)	Number of Shares	Earnings Per Share (In Dollars)
	After Income Tax		After Income Tax
Basic earnings per share			
Amount after income tax attributable to owners of the Company	\$ 518,068	171,200,000	<u>\$ 3.03</u>
Effect of potentially dilutive common shares - employee share options	<u>-</u>	<u>587,969</u>	
Diluted earnings per share			
Amount after income tax attributable to owners of the Company and effect of potentially dilutive common shares	<u>\$ 518,068</u>	<u>171,787,969</u>	<u>\$ 3.02</u>

	For the Three Months Ended September 30, 2022		
	Amount (In Thousands)		Earnings Per Share (In Dollars)
	After Income Tax	Number of Shares	After Income Tax
Basic earnings per share			
Amount after income tax attributable to owners of the Company	\$ 120,517	171,200,000	<u>\$ 0.70</u>
Effect of potentially dilutive common shares - employee share options	<u>-</u>	<u>449,571</u>	
Diluted earnings per share			
Amount after income tax attributable to owners of the Company and effect of potentially dilutive common shares	<u>\$ 120,517</u>	<u>171,649,571</u>	<u>\$ 0.70</u>

Earnings per share for the nine months ended September 30, 2021 and 2020 were as follows:

	For the Nine Months Ended September 30, 2021		
	Amount (In Thousands)		Earnings Per Share (In Dollars)
	After Income Tax	Number of Shares	After Income Tax
Basic earnings per share			
Amount after income tax attributable to owners of the Company	\$ 892,126	171,466,667	<u>\$ 5.20</u>
Effect of potentially dilutive common shares - employee share options	<u>-</u>	<u>591,558</u>	
Diluted earnings per share			
Amount after income tax attributable to owners of the Company and effect of potentially dilutive common shares	<u>\$ 892,126</u>	<u>172,058,225</u>	<u>\$ 5.19</u>

	For the Three Months Ended September 30, 2021		
	Amount (In Thousands)		Earnings Per Share (In Dollars)
	After Income Tax	Number of Shares	After Income Tax
Basic earnings per share			
Amount after income tax attributable to owners of the Company	\$ 404,027	171,200,000	<u>\$ 2.36</u>
Effect of potentially dilutive common shares - employee share options	<u>-</u>	<u>509,882</u>	
Diluted earnings per share			
Amount after income tax attributable to owners of the Company and effect of potentially dilutive common shares	<u>\$ 404,027</u>	<u>171,709,882</u>	<u>\$ 2.35</u>

Since the Group offered to settle the compensation or bonuses paid to employees in cash or shares, the Group assumed the entire amount of the compensation or bonus will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

24. DISPOSAL OF SUBSIDIARIES

In order to focus on its core technologies and strengthen its competitiveness, the Company's board of directors approved to sell 100% of its share capital in Hunan Frontier Electronics Co., Ltd. to INPAQ Technology (Suzhou) Co., Ltd. at the price of RMB94,800 thousand on January 27, 2021. The transaction price was based on the latest audited financial statements and appraisal report, and the independent expert has issued reasonableness opinion of the price. Registration transfer and payment of shares have been completed in April and May 2021. The transaction was an organizational restructuring and did not affect the profit or loss, and the Group chose not to recompile the consolidated financial statements for the prior period.

a. Consideration received from disposals

Hunan Frontier Electronics Co., Ltd.

Consideration received in cash and cash equivalents	\$ <u>409,726</u>
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b. Analysis of assets and liabilities on the date control was lost

Hunan Frontier Electronics Co., Ltd.

Current assets	
Cash and cash equivalents	\$ 52,881
Financial assets at amortized cost - current	64,830
Trade receivables	101,082
Other receivables	1,032
Inventories	52,236
Other current assets	4,416
Non-current assets	
Property, plant and equipment	171,665
Right-of-use assets	1,932
Refundable deposits	1
Current liabilities	
Trade payables	(46,424)
Other payables	(40,253)
Current tax liabilities	(1,866)
Other current liabilities	(2,749)
Non-current liabilities	
Guarantee deposits received	<u>(177)</u>
Net assets disposed of	<u>\$ 358,606</u>

c. Loss on disposal of subsidiary

	Hunan Frontier Electronics Co., Ltd.
Consideration received	\$ 409,726
Net assets disposed of	(358,606)
Accumulated exchange differences from the reclassification of the subsidiaries' net assets from equity to profit or loss due to loss of control of subsidiaries	<u>(64,376)</u>
Retained earnings	<u>\$ (13,256)</u>

The loss of \$13,256 thousand from disposal of Hunan Frontier Electronics Co., Ltd. was recognized in May 2021. The transaction was an organizational restructuring; therefore, it did not affect the profit or loss and was presented as deduction of the retained earnings.

d. Net cash inflow on disposals of subsidiary

	Hunan Frontier Electronics Co., Ltd.
Consideration received in cash and cash equivalents	\$ 409,726
Less: Cash and cash equivalent balance disposed of	<u>(52,881)</u>
	<u>\$ 356,845</u>

25. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On May 21, 2021, the Group subscribed for 30% of the equity of Prosperity Frontier Electronics (Shenzhen) Co., Ltd., and increased its continuing interest from 70% to 100%.

The above transaction was accounted for as equity transaction, since the Group did not cease to have control over this subsidiary.

	Prosperity Frontier Electronics (Shenzhen) Co., Ltd.
Consideration paid	\$ (40,297)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	<u>41,753</u>
Difference recognized from equity transactions	<u>\$ 1,456</u>

Line items adjusted for equity transactions

Capital surplus - difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition \$ 1,456

26. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group have the essential financial resources and operating plans to meet the needs of working capital, capital expenditures, research and development expenses, debt repayment and dividend expenditures in the next 12 months.

27. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

1) Fair value of financial instruments that are not measured at fair value

The management considers the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements as approximate fair values. There were no major differences between the carrying amounts and fair values as of September 30, 2022, December 31, 2021 and September 30, 2021.

2) Fair value of financial instruments that are measured at fair value on a recurring basis

September 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 241,783	\$ -	\$ -	\$ 241,783
Mutual funds	45,458	-	-	45,458
Government bonds	<u>-</u>	<u>45,091</u>	<u>-</u>	<u>45,091</u>
	<u>\$ 287,241</u>	<u>\$ 45,091</u>	<u>\$ -</u>	<u>\$ 332,332</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 1,041,462	\$ -	\$ -	\$ 1,041,462
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>225,345</u>	<u>225,345</u>
	<u>\$ 1,041,462</u>	<u>\$ -</u>	<u>\$ 225,345</u>	<u>\$ 1,266,807</u>

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 389,047	\$ -	\$ -	\$ 389,047
Mutual funds	56,934	-	-	56,934
Government bonds	<u>-</u>	<u>86,085</u>	<u>-</u>	<u>86,085</u>
	<u>\$ 445,981</u>	<u>\$ 86,085</u>	<u>\$ -</u>	<u>\$ 532,066</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 1,448,999	\$ -	\$ -	\$ 1,448,999
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>158,075</u>	<u>158,075</u>
	<u>\$ 1,448,999</u>	<u>\$ -</u>	<u>\$ 158,075</u>	<u>\$ 1,607,074</u>

September 30, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 342,545	\$ -	\$ -	\$ 342,545
Mutual funds	43,250	-	-	43,250
Government bonds	<u>-</u>	<u>85,399</u>	<u>-</u>	<u>85,399</u>
	<u>\$ 385,795</u>	<u>\$ 85,399</u>	<u>\$ -</u>	<u>\$ 471,194</u>
Financial assets at FVTOCI				
Domestic listed shares	\$ 1,313,564	\$ -	\$ -	\$ 1,313,564
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>134,070</u>	<u>134,070</u>
	<u>\$ 1,313,564</u>	<u>\$ -</u>	<u>\$ 134,070</u>	<u>\$ 1,447,634</u>

There were no transfers between Levels 1 and 2 for the nine months ended September 30, 2022 and 2021.

3) Valuation techniques and inputs applied for Level 2 fair value measurement

<u>Financial Instrument</u>	<u>Valuation Technique and Inputs</u>
Government bonds	Determined by quoted market prices provided by third party pricing services.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of unlisted equity securities were determined using the market approach or asset-based approach. The significant unobservable inputs are the liquidity discount of multiplier of price-book ratio and value of net assets. An increase in price-book ratio would result in an increase in the fair value. An increase in liquidity discount would result in a decrease in the fair value.

b. Categories of financial instruments

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 332,332	\$ 532,066	\$ 471,194
Financial assets at amortized cost (Note 1)	2,692,889	2,798,680	2,927,442
Financial assets at FVTOCI			
Equity instruments	1,266,807	1,607,074	1,447,634
<u>Financial liabilities</u>			
Amortized cost (Note 2)	1,676,838	2,139,279	2,456,984

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, trade receivables, other receivables and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term borrowings, trade payables, other payables, long-term borrowings and guarantee deposits.

c. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, borrowings, trade receivables and trade payables. The Company's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk.

The Group utilizes derivatives based on the procedures for the handling of derivative financial instrument transactions, which had been approved by the board of directors, to hedge against foreign currency risk. The internal auditor reviews compliance with policies and risk limits on an ongoing basis.

1) Market risk

The Group is exposed primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

The Group's exposure to market risk in financial instruments and its management and measurement of such exposure has not changed since the last period.

a) Foreign currency risk

The Group manages the risk of exchange rate fluctuations arising from foreign currency transactions by using forward exchange contracts to the extent permitted by the regulations governing the procedures for the handling of derivative financial instrument transactions.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the period are set out in Note 31.

	USD Impact		RMB Impact	
	For the Nine Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Profit or loss	\$ 55,921	\$ 25,053	\$ 12,285	\$ 23,567
Equity	1,911	1,869	18,871	18,256

The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusted their translation at the end of the period for a 3% change in foreign currency rates. A positive number indicates a decrease in post-tax profit and equity associated with the New Taiwan dollar strengthening 3% against the relevant currency. For a 3% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and positive impact on post-tax profit and equity.

b) Interest rate risk

The Group was exposed to interest rate risk arising from both fixed and floating interest rate deposits, and repurchase agreements collateralized by bonds and borrowings.

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

	September 30, 2022	December 31, 2021	September 30, 2021
Cash flow interest rate risk			
Financial assets	\$ 1,187,057	\$ 1,066,354	\$ 938,073
Financial liabilities	859,090	825,989	815,795

The Group's sensitivity analysis of interest rate risk mainly focuses on changes in the fair value of the financial assets and liabilities at fixed interest rate at the end of the reporting period. If interest rates were lower by 1% and all other variables were held constant, the Group's variable-rate financial assets for the nine months ended September 30, 2022 and 2021 would have resulted in cash outflows by \$3,280 thousand and \$1,223 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Group.

The management of the Group has delegated a team responsible for the determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group reviews the recoverable amount of each individual trade receivable at the end of the reporting period to ensure that adequate allowance is made for irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

3) Liquidity risk

The Group's working capital is sufficient to meet its obligations; therefore, there is no liquidity risk arising from the inability to raise funds to meet its contractual obligations.

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods:

September 30, 2022

	Less than 1 Year	2-3 Years	3+ Years	Total
Non-interest bearing	\$ 817,748	\$ -	\$ -	\$ 817,748
Variable interest rate				
liabilities	283,542	575,548	-	859,090
Lease liabilities	<u>36,154</u>	<u>63,418</u>	<u>100,367</u>	<u>199,939</u>
	<u>\$ 1,137,444</u>	<u>\$ 638,966</u>	<u>\$ 100,367</u>	<u>\$ 1,876,777</u>

December 31, 2021

	Less than 1 Year	2-3 Years	3+ Years	Total
Non-interest bearing	\$ 1,313,290	\$ -	\$ -	\$ 1,313,290
Variable interest rate				
liabilities	8,333	749,832	67,824	825,989
Lease liabilities	<u>25,573</u>	<u>46,713</u>	<u>107,418</u>	<u>179,704</u>
	<u>\$ 1,347,196</u>	<u>\$ 796,545</u>	<u>\$ 175,242</u>	<u>\$ 2,318,983</u>

September 30, 2021

	Less than 1 Year	2-3 Years	3+ Years	Total
Non-interest bearing	\$ 1,641,189	\$ -	\$ -	\$ 1,641,189
Variable interest rate				
liabilities	50,000	624,543	141,252	815,795
Lease liabilities	<u>25,973</u>	<u>43,543</u>	<u>105,136</u>	<u>174,652</u>
	<u>\$ 1,717,162</u>	<u>\$ 668,086</u>	<u>\$ 246,388</u>	<u>\$ 2,631,636</u>

28. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation, refer to Table 5. Details of transactions between the Group and other related parties are disclosed as follows.

<u>Related Party Name</u>	<u>Related Party Category</u>
Walsin Technology Corporation	Parent company
Dongguan Walsin Technology Electronics Co., Ltd.	Sister company
Dongguan Huafai Trading Co., Ltd.	Sister company
Pan Overseas (Guangzhou) Electronic Co., Ltd.	Sister company
Walsin Technology Corporation (HK) Limited	Sister company
Kamaya Electric (M) Sdn. Bhd.	Sister company
Eleceram Technology Co., Ltd.	Sister company
INPAQ Technology Co., Ltd.	Sister company
INPAQ Technology (Suzhou) Co., Ltd.	Sister company
Taiwan INPAQ Electronics Co., Ltd.	Sister company
INPAQ Technology (China) Co., Ltd.	Sister company
Hunan Frontier Electronics Co., Ltd.	Sister company (subsidiary before April 2021)
Tsai Yi Corporation	Associate
Joyin Co., Ltd.	Associate
Walsin Lihwa Corporation	Other related party
Falcon Automation Equipment Corporation	Other related party
Info-Tek Corp.	Other related party
VVG Inc.	Other related party
Global Brands Manufacture Ltd.	Other related party
Hwa Bao Botanic Conservation Corp.	Other related party
PSA Charitable Foundation	Other related party
PSA WG Culture and Arts Foundation	Other related party

Transactions

Transactions between the Group and other related parties for the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021 are disclosed as follows:

Related Party Category	Sales of Goods			
	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2022	2021	2022	2021
Parent company	\$ 125,579	\$ 300,846	\$ 687,555	\$ 735,328
Sister companies	24,157	175,008	124,976	459,870
Other related parties	<u>225</u>	<u>3</u>	<u>416</u>	<u>437</u>
	<u>\$ 149,961</u>	<u>\$ 475,857</u>	<u>\$ 812,947</u>	<u>\$ 1,195,635</u>

Related Party Category/Name	Purchases of Goods			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Parent company	\$ 87,319	\$ 154,635	\$ 351,661	\$ 483,411
Sister companies				
Dongguan Walsin Technology Electronics Co., Ltd.	52,892	186,885	224,162	622,415
Others	<u>8,345</u>	<u>12,880</u>	<u>30,122</u>	<u>76,384</u>
	61,237	199,765	254,284	698,799
Associates	<u>147</u>	<u>-</u>	<u>147</u>	<u>-</u>
	<u>\$ 148,703</u>	<u>\$ 354,400</u>	<u>\$ 606,092</u>	<u>\$ 1,182,210</u>

The selling prices between the Group and related parties were not significantly different from that of general transactions. The collection terms of general transactions are within 0 to 120 days. The collection terms of related parties were not significantly different from that of general customers. Among them, trade receivables (payables) of Walsin Technology Corporation are directly offset by its respective counterparty's trade receivables (payables), and the remaining receivables are collected (paid) under the usual collection (payment) terms.

The prices of the purchase transactions between the Group and related parties were not significantly different from that of general transactions, and the payment terms of general transactions are within 0 to 120 days. The payment terms of related parties were not significantly different from that of general suppliers.

Related Party Category/Name	Acquisition of Assets			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Other related party				
Falcon Automation Equipment Corporation	<u>\$ 1,439</u>	<u>\$ 1,290</u>	<u>\$ 26,373</u>	<u>\$ 83,262</u>

Related Party Category	Disposal of Assets			
	For the Three Months Ended September 30, 2022		For the Nine Months Ended September 30, 2022	
	Proceeds	Gain (Loss) on Disposal	Proceeds	Gain (Loss) on Disposal
Sister companies	<u>\$ 226</u>	<u>\$ -</u>	<u>\$ 7,832</u>	<u>\$ 3,262</u>

Lease arrangement as lessee

Item	Related Party Category	September 30, 2022	December 31, 2021	September 30, 2021
Lease liabilities	Parent company	\$ 30,764	\$ 2,559	\$ 4,096
	Sister companies	4,980	5,796	5,734
	Other related party	<u>11,196</u>	<u>12,333</u>	<u>-</u>
		<u>\$ 46,940</u>	<u>\$ 20,688</u>	<u>\$ 9,830</u>

Item	Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2022	2021	2022	2021
Interest expense	Parent company	\$ 78	\$ 11	\$ 109	\$ 45
	Sister companies	12	14	40	19
	Other related party	<u>29</u>	<u>-</u>	<u>88</u>	<u>-</u>
		<u>\$ 119</u>	<u>\$ 25</u>	<u>\$ 237</u>	<u>\$ 64</u>
Rental expense	Parent company	\$ 80	\$ 14	\$ 946	\$ 41
	Sister companies	<u>62</u>	<u>51</u>	<u>184</u>	<u>155</u>
		<u>\$ 142</u>	<u>\$ 65</u>	<u>\$ 1,130</u>	<u>\$ 196</u>

Lease agreement as lessor

Lease income was summarized as follows:

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Parent company	\$ 753	\$ 673	\$ 2,248	\$ 2,023
Sister companies	24	43	98	127
Associates	12	12	35	35
Other related parties	<u>621</u>	<u>525</u>	<u>1,862</u>	<u>1,766</u>
	<u>\$ 1,410</u>	<u>\$ 1,253</u>	<u>\$ 4,243</u>	<u>\$ 3,951</u>

At the end of the period, the remaining balances were as follows:

Related Party Category/Name	Trade Receivables			Trade Payables		
	September 30, 2022	December 31, 2021	September 30, 2021	September 30, 2022	December 31, 2021	September 30, 2021
Parent company	\$ 65,238	\$ 194,407	\$ 192,608	\$ -	\$ -	\$ -
Sister companies						
Dongguan Walsin Technology Electronics Co., Ltd.	139	63,415	111,546	68,456	143,765	269,480
INPAQ Technology (Suzhou) Co., Ltd.	38,794	66,913	67,279	-	-	-
Others	<u>4,788</u>	<u>11,241</u>	<u>21,362</u>	<u>16,418</u>	<u>19,826</u>	<u>10,259</u>
	43,721	141,569	200,187	84,874	163,591	279,739
Associates	-	-	-	154	-	-
Other related parties	<u>237</u>	<u>-</u>	<u>60</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 109,196</u>	<u>\$ 335,976</u>	<u>\$ 392,855</u>	<u>\$ 85,028</u>	<u>\$ 163,591</u>	<u>\$ 279,739</u>

Related Party Category	Other Receivables			Other Payables		
	September 30, 2022	December 31, 2021	September 30, 2021	September 30, 2022	December 31, 2021	September 30, 2021
Parent company	\$ -	\$ 9,871	\$ 5,331	\$ 2,937	\$ -	\$ -
Sister companies	164	1,517	1,353	1,012	677	1,055
Associates	1,206	12	12	-	-	-
Other related parties	<u>646</u>	<u>619</u>	<u>577</u>	<u>18,811</u>	<u>21,582</u>	<u>57,878</u>
	<u>\$ 2,016</u>	<u>\$ 12,019</u>	<u>\$ 7,273</u>	<u>\$ 22,760</u>	<u>\$ 22,259</u>	<u>\$ 58,933</u>

Other receivables are the uncollected amounts from the Group's lease income, dividend income, selling of raw materials, and the collections and payments on behalf of others.

Other payables are the payments that have not been made for the acquisition of equipment and the collections and payments on behalf of others.

The remaining trade payables - related parties were not guaranteed and would be paid off by cash; trade receivables - related parties were also not guaranteed. There was no bad debt expense for trade receivables - related parties as of September 30, 2022, December 31, 2021 and September 30, 2021.

Equity transactions

Refer to Notes 12, 13 and 24.

Remuneration of key management personnel

Remuneration of the board directors and other key management personnel for the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021 were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Short-term employee benefits	\$ 7,030	\$ 4,694	\$ 46,274	\$ 25,361
Post-employment benefits	<u>54</u>	<u>27</u>	<u>162</u>	<u>81</u>
	<u>\$ 7,084</u>	<u>\$ 4,721</u>	<u>\$ 46,436</u>	<u>\$ 25,442</u>

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group at the end of the reporting period were as follows:

a. Significant unrecognized commitments

Unrecognized commitments were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Acquisition of property, plant and equipment	<u>\$ 320,310</u>	<u>\$ 442,617</u>	<u>\$ 251,333</u>

b. Contingencies

As of September 30, 2022, outstanding letters of credit of the Group were summarized as follows:

	Unit: Dollars	
Currency	Carrying Amount	Deposits Paid
JPY	JPY 188,300,000	JPY -

As of December 31, 2021, outstanding letters of credit of the Group were summarized as follows:

	Unit: Dollars	
Currency	Carrying Amount	Deposits Paid
JPY	JPY 387,628,000	JPY -
USD	US\$ 36,600	US\$ -

As of September 30, 2021, outstanding letters of credit of the Group were summarized as follows:

Unit: Dollars			
Currency	Carrying Amount		Deposits Paid
JPY	JPY	186,000,000	JPY -
USD	US\$	54,900	US\$ -

30. OTHER ITEMS

a. Despite the impact of the COVID-19 pandemic which has evolved globally and currently in Taiwan, some of the operations of the subsidiaries located in China were temporarily suspended because of the lockdown and shut-down control measures imposed by the local government. Currently, all of the subsidiaries have resumed operations.

b. Reason of restatement

In June 2022, the board of directors of Prosperity Dielectrics Co., Ltd. approved to acquire 17,519 thousand shares and 3,058 thousand shares of Joyin Co., Ltd. from the related parties, INPAQ Technology Co., Ltd. and Walsin Technology Corporation, respectively. This acquisition of equity is a reorganization under common control, and pursuant to Q&A and interpretation letters of Accounting Research and Development Foundation, such acquisition shall be accounted for using the book value method, and deemed as a business combination from the beginning; consequently, the consolidated financial statements are restated for the comparative period. After restatement, the profit and loss, other comprehensive income, and related interests originally owned by INPAQ Technology Co., Ltd. and Walsin Technology Corporation were recorded as equity attributable to former owner of business combination under common control.

c. The restated the consolidated balance sheet as of 31 December 2021 and the consolidated statement of comprehensive income 2021 have the following effects:

December 31, 2021

Item	Amount Before Retrospective Restatement	Effects	Amount After Retrospective Restatement
Current assets			
Cash and cash equivalents	\$ 1,312,198	\$ -	\$ 1,312,198
Financial assets at FVTPL - current	532,066	-	532,066
Financial assets at amortized cost - current	262,697	-	262,697
Notes receivable	50,882	-	50,882
Trade receivables	743,018	-	743,018
Trade receivables - related parties	335,976	-	335,976
Other receivables	34,979	-	34,979
Other receivables - related parties	12,019	-	12,019
Inventories	820,570	-	820,570
Other current assets	<u>53,403</u>	<u>-</u>	<u>53,403</u>
Total current assets	<u>4,157,808</u>	<u>-</u>	<u>4,157,808</u>

(Continued)

Item	Amount Before Retrospective Restatement	Effects	Amount After Retrospective Restatement
Non-current assets			
Financial assets at FVTOCI - non-current	\$ 1,607,074	\$ -	\$ 1,607,074
Financial assets at amortized cost - non-current	43,476	-	43,476
Investments accounted for using the equity method	834,223	324,031	1,158,254
Property, plant and equipment	2,218,674	-	2,218,674
Right-of-use assets	176,410	-	176,410
Computer software	7,221	-	7,221
Deferred tax assets	34,151	-	34,151
Other non-current assets	<u>7,079</u>	<u>-</u>	<u>7,079</u>
Total non-current assets	<u>4,928,308</u>	<u>324,031</u>	<u>5,252,339</u>
	<u>\$ 9,086,116</u>	<u>\$ 324,031</u>	<u>\$ 9,410,147</u>

(Continued)

Item	Amount Before Retrospective Restatement	Effects	Amount After Retrospective Restatement
Current liabilities			
Trade payables to unrelated parties	\$ 389,564	\$ -	\$ 389,564
Trade payables to related parties	163,591	-	163,591
Other payables to unrelated parties	712,642	-	712,642
Other payables to related parties	22,259	-	22,259
Current tax liabilities	137,270	-	137,270
Lease liabilities - current	25,573	-	25,573
Current portion of long-term borrowings	8,333	-	8,333
Other current liabilities	<u>16,157</u>	<u>-</u>	<u>16,157</u>
Total current liabilities	<u>1,475,389</u>	<u>-</u>	<u>1,475,389</u>
Non-current liabilities			
Long-term borrowings	817,656	-	817,656
Deferred tax liabilities	178,518	-	178,518
Lease liabilities - non-current	154,131	-	154,131
Deferred revenue - non-current	9,011	-	9,011
Net defined benefit liabilities - non-current	51,391	-	51,391
Guarantee deposits	<u>25,234</u>	<u>-</u>	<u>25,234</u>
Total non-current liabilities	<u>1,235,941</u>	<u>-</u>	<u>1,235,941</u>
Total liabilities	<u>2,711,330</u>	<u>-</u>	<u>2,711,330</u>

(Continued)

Item	Amount Before Retrospective Restatement	Effects	Amount After Retrospective Restatement
Equity attributable to owners of the company			
Ordinary shares	\$ 1,720,000	\$ -	\$ 1,720,000
Capital surplus	<u>498,548</u>	<u>-</u>	<u>498,548</u>
Retained earnings			
Legal reserve	509,861	-	509,861
Special reserve	67,764	-	67,764
Unappropriated earnings	<u>2,829,865</u>	<u>-</u>	<u>2,829,865</u>
Total retained earnings	<u>3,407,490</u>	<u>-</u>	<u>3,407,490</u>
Other equity			
Exchange differences on the translation of the financial statements of foreign operations	(116,523)	-	(116,523)
Unrealized gain on FVTOCI	<u>919,642</u>	<u>-</u>	<u>919,642</u>
Total other equity	<u>803,119</u>	<u>-</u>	<u>803,119</u>
Treasury shares	<u>(54,371)</u>	<u>-</u>	<u>(54,371)</u>
Total equity attributable to owners of the Company	6,374,786	-	6,374,786
Equity attributable to former owner of business combination under common control	<u>-</u>	<u>324,031</u>	<u>324,031</u>
Total equity	<u>6,374,786</u>	<u>324,031</u>	<u>6,698,817</u>
	<u>\$ 9,086,116</u>	<u>\$ 324,031</u>	<u>\$ 9,410,147</u>

(Concluded)

For the year ended December 31, 2021

Item	Amount Before Retrospective Restatement	Effects	Amount After Retrospective Restatement
Net sales	\$ 6,010,110	\$ -	\$ 6,010,110
Cost of sales	<u>4,423,600</u>	<u>-</u>	<u>4,423,600</u>
Gross profit	<u>1,586,510</u>	<u>-</u>	<u>1,586,510</u>
Operating expenses			
Selling and marketing expenses	163,736	-	163,736
General and administrative expenses	159,920	-	159,920
Research and development expenses	<u>85,092</u>	<u>-</u>	<u>85,092</u>
Total operating expenses	<u>408,748</u>	<u>-</u>	<u>408,748</u>
Profit from operations	<u>1,177,762</u>	<u>-</u>	<u>1,177,762</u>
Non-operating income and expenses			
Interest income	14,021	-	14,021
Dividend income	54,883	-	54,883
Other income	19,978	-	19,978
Gain on disposal of property, plant and equipment	3,308	-	3,308
Gain on disposal of investments	9	-	9

(Continued)

Item	Amount Before Retrospective Restatement	Effects	Amount After Retrospective Restatement
Gain on valuation of financial assets at FVTPL	\$ 33,266	\$ -	\$ 33,266
Gain on reversal of impairment loss	6,219	-	6,219
Share of profit of associates accounted for using the equity method	152,002	4,126	156,128
Interest expense	(9,595)	-	(9,595)
Miscellaneous expenses	(8,653)	-	(8,653)
Loss on lease modifications	(333)	-	(333)
Foreign exchange loss	<u>(4,661)</u>	<u>-</u>	<u>(4,661)</u>
Total non-operating income and expenses	<u>260,444</u>	<u>4,126</u>	<u>264,570</u>
Profit before income tax	1,438,206	4,126	1,442,332
Income tax expense	<u>(293,702)</u>	<u>-</u>	<u>(293,702)</u>
Net profit for the period	<u>1,144,504</u>	<u>4,126</u>	<u>1,148,630</u>
Other comprehensive (loss) income			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of the net defined benefit plan	(5,102)	-	(5,102)
Unrealized gain on investments in equity instruments at FVTOCI	372,570	-	372,570
Share of the other comprehensive loss of associates accounted for using the equity method	(6,346)	(19)	(6,365)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on the translation of the financial statements of foreign operations	4,189	2,091	6,280
Share of the other comprehensive income of associates accounted for using the equity method	<u>314</u>	<u>-</u>	<u>314</u>
Other comprehensive income for the period	<u>365,625</u>	<u>2,072</u>	<u>367,697</u>
Total comprehensive income for the period	<u>\$ 1,510,129</u>	<u>\$ 6,198</u>	<u>\$ 1,516,327</u> (Concluded)

- d. The restated the consolidated balance sheet as of September 30, 2021 and the consolidated statement of comprehensive income for the nine months ended September 30, 2021 have the following effects:

September 30, 2021

Item	Amount Before Retrospective Restatement	Effects	Amount After Retrospective Restatement
Current assets			
Cash and cash equivalents	\$ 1,165,576	\$ -	\$ 1,165,576
Financial assets at FVTPL - current	471,194	-	471,194
Financial assets at amortized cost - current	140,062	-	140,062
Notes receivable	45,634	-	45,634
Trade receivables from unrelated parties	941,852	-	941,852
Trade receivables - related parties	392,855	-	392,855
Other receivables	58,297	-	58,297
Other receivables - related parties	7,273	-	7,273
Inventories	825,005	-	825,005
Other current assets	<u>58,287</u>	-	<u>58,287</u>
Total current assets	<u>4,106,035</u>	-	<u>4,106,035</u>
Non-current assets			
Financial assets at FVTOCI - non-current	1,447,634	-	1,447,634
Financial assets at amortized cost - non-current	172,486	-	172,486
Investments accounted for using the equity method	813,512	322,368	1,135,880
Property, plant and equipment	2,195,315	-	2,195,315
Right-of-use assets	171,847	-	171,847
Computer software	1,014	-	1,014
Deferred tax assets	32,295	-	32,295
Other non-current assets	<u>6,092</u>	-	<u>6,092</u>
Total non-current assets	<u>4,840,195</u>	<u>322,368</u>	<u>5,162,563</u>
	<u>\$ 8,946,230</u>	<u>\$ 322,368</u>	<u>\$ 9,268,598</u>

(Continued)

Item	Amount Before Retrospective Restatement	Effects	Amount After Retrospective Restatement
Current liabilities			
Short-term borrowings	\$ 50,000	\$ -	\$ 50,000
Trade payables	532,625	-	532,625
Trade payables to related parties	279,739	-	279,739
Other payables	751,101	-	751,101
Other payables to related parties	58,933	-	58,933
Current tax liabilities	88,006	-	88,006
Lease liabilities - current	25,973	-	25,973
Other current liabilities	<u>17,829</u>	<u>-</u>	<u>17,829</u>
Total current liabilities	<u>1,804,206</u>	<u>-</u>	<u>1,804,206</u>
Non-current liabilities			
Long-term borrowings	765,795	-	765,795
Deferred tax liabilities	172,595	-	172,595
Lease liabilities - non-current	148,679	-	148,679
Deferred revenue - non-current	9,205	-	9,205
Net defined benefit liabilities - non-current	46,446	-	46,446
Guarantee deposits	<u>18,791</u>	<u>-</u>	<u>18,791</u>
Total non-current liabilities	<u>1,161,511</u>	<u>-</u>	<u>1,161,511</u>
Total liabilities	<u>2,965,717</u>	<u>-</u>	<u>2,965,717</u>
Equity attributable to owners of the company			
Ordinary shares	<u>1,720,000</u>	<u>-</u>	<u>1,720,000</u>
Capital surplus	<u>498,522</u>	<u>-</u>	<u>498,522</u>
Retained earnings			
Legal reserve	509,861	-	509,861
Special reserve	67,764	-	67,764
Unappropriated earnings	<u>2,583,431</u>	<u>-</u>	<u>2,583,431</u>
Total retained earnings	<u>3,161,056</u>	<u>-</u>	<u>3,161,056</u>
Other equity			
Exchange differences on the translation of the financial statements of foreign operations	(125,938)	-	(125,938)
Unrealized gain on financial assets at FVTOCI	<u>781,244</u>	<u>-</u>	<u>781,244</u>
Total other equity	<u>655,306</u>	<u>-</u>	<u>655,306</u>
Treasury shares	<u>(54,371)</u>	<u>-</u>	<u>(54,371)</u>
Total equity attributable to owners of the Company	<u>5,980,513</u>	<u>-</u>	<u>5,980,513</u>
Equity attributable to former owner of business combination under common control	<u>-</u>	<u>322,368</u>	<u>322,368</u>
Total equity	<u>5,980,513</u>	<u>322,368</u>	<u>6,302,881</u>
	<u>\$ 8,946,230</u>	<u>\$ 322,368</u>	<u>\$ 9,268,598</u>

(Concluded)

For the nine months ended September 30, 2021

Item	Amount Before Retrospective Restatement	Effects	Amount After Retrospective Restatement
Net sales	\$ 4,669,855	\$ -	\$ 4,669,855
Cost of sales	<u>3,437,973</u>	<u>-</u>	<u>3,437,973</u>
Gross profit	<u>1,231,882</u>	<u>-</u>	<u>1,231,882</u>
Operating expenses			
Selling and marketing expenses	126,345	-	126,345
General and administrative expenses	122,815	-	122,815
Research and development expenses	<u>61,790</u>	<u>-</u>	<u>61,790</u>
Total operating expenses	<u>310,950</u>	<u>-</u>	<u>310,950</u>
Profit from operations	<u>920,932</u>	<u>-</u>	<u>920,932</u>
Non-operating income and expenses			
Interest income	10,834	-	10,834
Dividend income	53,833	-	53,833
Other income	15,533	-	15,533
Gain on disposal of property, plant and equipment	3,308	-	3,308
Gain on disposal of investments	8	-	8
Reversal of impairment loss	4,716	-	4,716
Share of profit of associates accounted for using the equity method	146,269	6,141	152,410
Loss on disposal of investment	-	-	-
Loss on lease modifications	(333)	-	(333)
Foreign exchange loss	(4,933)	-	(4,933)
Loss on valuation of financial assets at FVTPL	(13,504)	-	(13,504)
Interest expense	(7,133)	-	(7,133)
Miscellaneous expenses	<u>(6,855)</u>	<u>-</u>	<u>(6,855)</u>
Total non-operating income and expenses	<u>201,743</u>	<u>6,141</u>	<u>207,884</u>
Profit before income tax	1,122,675	6,141	1,128,816
Income tax expense	<u>(229,686)</u>	<u>-</u>	<u>(229,686)</u>
Net profit for the period	<u>892,989</u>	<u>6,141</u>	<u>899,130</u>
Other comprehensive (loss) income			
Items that will not be reclassified subsequently to profit or loss:			
Unrealized gain on investments in equity instruments at FVTOCI	243,129	-	243,129
Share of the other comprehensive loss of associates accounted for using the equity method	(15,324)	(75)	(15,399)

(Continued)

Item	Amount Before Retrospective Restatement	Effects	Amount After Retrospective Restatement
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on the translation of the financial statements of foreign operations	\$ (4,632)	\$ -	\$ (4,632)
Share of the other comprehensive loss of associates accounted for using the equity method	<u>(280)</u>	<u>(1,505)</u>	<u>(1,785)</u>
Other comprehensive (loss) income for the period	<u>222,893</u>	<u>(1,580)</u>	<u>221,313</u>
Total comprehensive income for the period	<u>\$ 1,115,882</u>	<u>\$ 4,561</u>	<u>\$ 1,120,443</u> (Concluded)

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the entities in the Group and the exchange rates between the foreign currencies and their respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

	September 30, 2022			December 31, 2021			September 30, 2021		
	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>									
Monetary items									
USD	\$ 61,696	31.7	\$ 1,955,763	\$ 33,764	27.69	\$ 934,925	\$ 45,362	27.866	\$ 1,264,057
RMB	109,095	4.4794	488,680	191,361	4.3476	831,961	200,329	4.3121	863,839
Non-monetary items									
Investments accounted for using the equity method									
USD	2,010	31.7	63,709	2,251	27.69	62,330	2,236	27.866	62,314
RMB	140,429	4.4794	629,039	143,697	4.3476	624,736	141,120	4.3121	608,523
<u>Financial liabilities</u>									
Monetary items									
USD	2,894	31.7	91,740	5,738	27.69	158,885	15,394	27.866	428,969
RMB	17,677	4.4794	79,182	24,929	4.3476	108,381	18,154	4.3121	78,282

For the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021, net realized and unrealized foreign exchange gains (losses) were \$81,102 thousand, \$(1,667) thousand, \$136,102 thousand and \$(4,933) thousand, respectively. It is impractical to disclose net foreign exchange (losses) gains by each significant foreign currency due to the variety of the foreign currency transactions.

32. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others (None)
- 2) Endorsements/guarantees provided (None)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 1)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 2)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 3)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
- 9) Trading in derivative instruments (None)
- 10) Intercompany relationships and significant intercompany transactions (Table 5)

b. Information about reinvestment

Information on investees (Table 6)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 7)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 7):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.

- e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds.
- f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 8)

33. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the geographical segments as its operating segments. The Group's reportable segments under IFRS 8 "Operating Segments" were as follows:

Taiwan segment - Prosperity Dielectrics Co., Ltd.
 - PDC Prime Holdings Limited
 - Frontec International Corporation
 - PDC Success Investments Ltd.

China segment - PDC Electronics (Suzhou) Co., Ltd.
 - Dongguan Frontier Electronics Co., Ltd.
 - Hunan Frontier Electronics Co., Ltd.
 - Frontier Components Co., Limited
 - Prosperity International Development (HK) Co., Limited
 - Prosperity Frontier Electronics (Shenzhen) Co., Ltd.
 - Prosperity Frontier Electronics (Guangzhou) Co., Ltd.

a. Segment revenue and results

The following tables detail the Group's segment revenue and results by reportable segments for the nine months ended September 30, 2022 and 2021 as restated.

	For the Nine Months Ended September 30, 2022			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Net sales	\$ 3,019,648	\$ 1,085,054	\$ (784,203)	\$ 3,320,499
Cost of sales	(2,208,388)	(1,055,789)	781,081	(2,483,096)
Unrealized gain on inter-affiliate accounts	(11,261)	-	11,261	-
Gross profit	799,999	29,265	8,139	837,403
Operating expenses	(238,385)	(22,179)	(8,000)	(268,564)
Profit from operations	561,614	7,086	139	568,839
Non-operating income and expenses	74,845	(18,933)	11,784	67,696
Profit before income tax	<u>\$ 636,459</u>	<u>\$ (11,847)</u>	<u>\$ 11,923</u>	<u>\$ 636,535</u>

For the Nine Months Ended September 30, 2021 (Restated)

	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Net sales	\$ 3,857,156	\$ 2,780,808	\$ (1,968,109)	\$ 4,669,855
Cost of sales	(2,808,558)	(2,604,077)	1,974,662	(3,437,973)
Unrealized gain on inter-affiliate accounts	<u>(1,555)</u>	<u>-</u>	<u>1,555</u>	<u>-</u>
Gross profit	1,047,043	176,731	8,108	1,231,882
Operating expenses	<u>(275,405)</u>	<u>(27,545)</u>	<u>(8,000)</u>	<u>(310,950)</u>
Profit from operations	771,638	149,186	108	920,932
Non-operating income and expenses	<u>317,984</u>	<u>155,835</u>	<u>(265,935)</u>	<u>207,884</u>
Profit before income tax	<u>\$ 1,089,622</u>	<u>\$ 305,021</u>	<u>\$ (265,827)</u>	<u>\$ 1,128,816</u>

b. Segment assets and liabilities

September 30, 2022

	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Cash and cash equivalents	\$ 944,824	\$ 596,870	\$ -	\$ 1,541,694
Notes and trade receivables	846,312	352,309	(318,467)	880,154
Inventories	684,189	71,274	(31,577)	723,886
Other current assets	<u>334,020</u>	<u>152,397</u>	<u>(1,032)</u>	<u>485,385</u>
Total current assets	<u>2,809,345</u>	<u>1,172,850</u>	<u>(351,076)</u>	<u>3,631,119</u>
Financial assets at FVTOCI - non-current	1,266,807	-	-	1,266,807
Investments accounted for using the equity method	2,202,456	692,748	(1,712,247)	1,182,957
Property, plant and equipment	1,956,114	107,317	-	2,063,431
Other non-current assets	<u>223,259</u>	<u>186,027</u>	<u>-</u>	<u>409,286</u>
Total assets	<u>\$ 8,457,981</u>	<u>\$ 2,158,942</u>	<u>\$ (2,063,323)</u>	<u>\$ 8,553,600</u>

	December 31, 2021 as Restated			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Cash and cash equivalents	\$ 807,520	\$ 504,678	\$ -	\$ 1,312,198
Notes and trade receivables	1,028,180	553,477	(451,781)	1,129,876
Inventories	765,326	75,560	(20,316)	820,570
Other current assets	515,508	380,628	(972)	895,164
Total current assets	<u>3,116,534</u>	<u>1,514,343</u>	<u>(473,069)</u>	<u>4,157,808</u>
Financial assets at FVTOCI - non-current	1,607,074	-	-	1,607,074
Investments accounted for using the equity method	2,215,299	687,066	(1,744,111)	1,158,254
Property, plant and equipment	2,093,893	124,781	-	2,218,674
Other non-current assets	<u>204,518</u>	<u>63,819</u>	<u>-</u>	<u>268,337</u>
Total assets	<u>\$ 9,237,318</u>	<u>\$ 2,390,009</u>	<u>\$ (2,217,180)</u>	<u>\$ 9,410,147</u>

	September 30, 2021 as Restated			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Cash and cash equivalents	\$ 567,971	\$ 597,605	\$ -	\$ 1,165,576
Notes and trade receivables	1,280,937	836,967	(737,563)	1,380,341
Inventories	791,010	48,051	(14,056)	825,005
Other current assets	499,633	236,835	(1,355)	735,113
Total current assets	<u>3,139,551</u>	<u>1,719,458</u>	<u>(752,974)</u>	<u>4,106,035</u>
Financial assets at FVTOCI - non-current	1,447,634	-	-	1,447,634
Investments accounted for using the equity method	2,182,086	670,837	(1,717,043)	1,135,880
Property, plant and equipment	2,065,150	130,165	-	2,195,315
Other non-current assets	<u>189,965</u>	<u>193,769</u>	<u>-</u>	<u>383,734</u>
Total assets	<u>\$ 9,024,386</u>	<u>\$ 2,714,229</u>	<u>\$ (2,470,017)</u>	<u>\$ 9,268,598</u>

	September 30, 2022			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Total current liabilities	\$ 1,168,508	\$ 411,517	\$ (319,500)	\$ 1,260,525
Guarantee deposits received	16,555	5,058	-	21,613
Deferred income tax liabilities	175,016	-	-	175,016
Other non-current liabilities	<u>773,562</u>	<u>5,676</u>	<u>-</u>	<u>779,238</u>
Total liabilities	<u>\$ 2,133,641</u>	<u>\$ 422,251</u>	<u>\$ (319,500)</u>	<u>\$ 2,236,392</u>

December 31, 2021 as Restated				
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Total current liabilities	\$ 1,309,189	\$ 618,953	\$ (452,753)	\$ 1,475,389
Guarantee deposits received	16,946	8,288	-	25,234
Deferred income tax liabilities	178,518	-	-	178,518
Other non-current liabilities	<u>1,027,678</u>	<u>4,511</u>	<u>-</u>	<u>1,032,189</u>
Total liabilities	<u>\$ 2,532,331</u>	<u>\$ 631,752</u>	<u>\$ (452,753)</u>	<u>\$ 2,711,330</u>

September 30, 2021 as Restated				
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Total current liabilities	\$ 1,560,426	\$ 982,699	\$ (738,919)	\$ 1,804,206
Guarantee deposits received	16,946	1,845	-	18,791
Deferred income tax liabilities	172,595	-	-	172,595
Other non-current liabilities	<u>965,331</u>	<u>4,794</u>	<u>-</u>	<u>970,125</u>
Total liabilities	<u>\$ 2,715,298</u>	<u>\$ 989,338</u>	<u>\$ (738,919)</u>	<u>\$ 2,965,717</u>

All intercompany transactions had been eliminated upon consolidation.

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

SEPTEMBER 30, 2022

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2022				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Prosperity Dielectrics Co., Ltd.	<u>Listed shares</u>							
	Walton Advanced Engineering Inc.	The chairman of the securities issuer is the same as the Company's	Financial assets at fair value through other comprehensive income - non-current	31,915,536	\$ 373,412	6.12	\$ 373,412	
	Walsin Lihwa Corporation	The chairman of the securities issuer is the second degree of kinship of the Company	"	10,989,605	445,079	0.29	445,079	
	HannStar Board Corporation	The chairman of the securities issuer is the same as the Company	"	5,668,332	164,948	1.07	164,948	
	APAQ Technology Co., Ltd.	None	"	739,000	29,523	0.83	29,523	
	Fubon Financial Holding Co., Ltd. Preferred Shares C	"	"	500,000	28,500	-	28,500	
	APAQ Technology Co., Ltd.	"	Financial assets at fair value through profit or loss - current	4,541,000	181,413	5.10	181,413	
	Chunghwa Telecom Co., Ltd.	"	"	400,000	45,600	0.01	45,600	
	Taiwan Semiconductor Manufacturing Co., Ltd.	"	"	35,000	14,770	-	14,770	
		<u>Shares</u>						
	Chin-Xin Investment Co., Ltd.	The chairman of the securities issuer is the second degree of kinship of the Company	Financial assets at fair value through other comprehensive income - non-current	3,500,000	141,474	0.72	141,474	
	Hwa Bao Botanic Conservation Corp.	"	"	8,000,000	83,871	10.00	83,871	
Dongguan Frontier Electronics Co., Ltd.	<u>Treasury bonds</u> 2022 Book-entry 9th Treasury Coupon Bonds	None	Financial assets at fair value through profit or loss - current	99,750	45,091	-	45,091	
PDC Electronics (Suzhou) Co., Ltd.	<u>Mutual funds</u>							
	GF Money Market Fund B	"	"	-	22,973	-	22,973	
	CCB Principal Profit Raise Money Market ETF Fund A	"	"	-	22,485	-	22,485	
Frontier Components Co., Limited	<u>Corporate bonds</u>							
	TSMC Arizona Corp.	None	Financial assets at amortized cost - non-current	3,000,000	95,152	-	95,152	
	Amazon.com, Inc.	"	"	2,000,000	62,309	-	62,309	

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

**MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Selling Price	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Prosperity Dielectrics Co., Ltd.	Joyin Co., Ltd.	Investments accounted for using the equity method	Walsin Technology Corporation and INPAQ Technology Co., Ltd.	Parent company and sister company	2,659,517	\$ 42,793	21,055,843	\$ 371,253 (Note)	-	\$ -	\$ -	\$ -	23,715,360	\$ 414,046

Note: The purchase transactions include investments accounted for using the equity method transferred from re-organization, share of loss of associates in the current period, exchange differences on the translation of the financial statements of foreign operations, unrealized valuation gain/(loss) on financial assets at FVTOCI, and capital surplus, etc.

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Prosperity Dielectrics Co., Ltd.	Frontier Components Co., Limited	Indirectly owned second-tier subsidiary	Sales	\$ (371,357)	(12)	No significant difference with third parties	-	-	Trade receivables \$ 154,778	18	
	Walsin Technology Corporation	Parent company	Sales	(687,555)	(23)	"	-	-	Trade receivables 65,238	8	
	Walsin Technology Corporation	Parent company	Purchases	351,661	29	"	-	-	Trade payables -	-	
Frontier Components Co., Limited	Prosperity Dielectrics Co., Ltd.	Parent company	Purchases	371,357	88	"	-	-	Trade payables (154,778)	(83)	
	Dongguan Frontier Electronics Co., Ltd.	100% owned subsidiary	Sales	(298,357)	(72)	"	-	-	Trade receivables 108,931	74	
Dongguan Frontier Electronics Co., Ltd.	Frontier Components Co., Limited	Parent company	Purchases	298,357	60	"	-	-	Trade payables (108,931)	(66)	
	Dongguan Walsin Technology Electronics Co., Ltd.	Sister company	Purchases	172,174	35	"	-	-	Trade payables (50,852)	(31)	

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Prosperity Dielectrics Co., Ltd.	Frontier Components Co., Limited	Indirectly owned second-tier subsidiary	Trade receivables \$ 154,778	2.61	\$ -	-	\$ 56,879	\$ -
Frontier Components Co., Limited	Dongguan Frontier Electronics Co., Ltd.	100% owned subsidiary	Trade receivables 108,931	2.94	-	-	-	-

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(In Thousands of New Taiwan Dollars)**

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
0	Prosperity Dielectrics Co., Ltd.	Frontier Components Co., Limited	Parent company to subsidiary	Sales	\$ 371,357	No significant difference with third parties	11
				Trade receivables	154,778		2
		Prosperity Frontier Electronics (Shenzhen) Co., Ltd.	Parent company to subsidiary	Purchases	75,717		2
				Trade payables	25,523		-
1	Frontier Components Co., Limited	Dongguan Frontier Electronics Co., Ltd.	Subsidiary to subsidiary	Sales	298,357	9	
				Trade receivables	108,931	1	
2	Prosperity Frontier Electronics (Shenzhen) Co., Ltd.	Frontier Components Co., Limited	Subsidiary to subsidiary	Sales	29,268	1	

Note 1: The investee company is represented in the number column as follows:

- a. The parent company is numbered "0".
- b. The subsidiaries are numbered consecutively from "1" in the order presented in the table above.

Note 2: There are three natures of relationships regarding the flow of transactions (in the case of the same transaction between the parent company and its subsidiary or between subsidiaries, there is no need to repeat disclosure. For example: If the parent company has disclosed the transaction between the parent company and the subsidiary, the subsidiary does not need to be disclosed. If a subsidiary has disclosed the transaction between the other subsidiary and itself, the other subsidiary does not need to be disclosed).

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

Note 3: The transaction amount as a percentage of the consolidated total revenue or total assets is calculated as follows: For balance sheet items, each item's period-end balance is shown as a percentage of consolidated total assets as of September 30, 2022. For profit or loss items, cumulative amounts are shown as a percentage of consolidated total operating revenue for the nine months ended September 30, 2022.

Note 4: The decision whether or not to disclose the significant intercompany transactions was made based on the principle of materiality.

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2022	December 31, 2021	Number of Shares	%	Carrying Amount			
Prosperity Dielectrics Co., Ltd.	PDC Prime Holdings Limited	Samoa	Investment holding	\$ 728,456	\$ 728,456	23,464,538	100	\$ 1,611,474	\$ (27,541)	\$ (27,541)	
		British Virgin Islands	Overseas investment	327,140	327,140	8,221,615	100	132,350	(1,255)	(1,255)	
	Tsai Yi Corporation	Taiwan	Investment holding	51,928	51,928	4,934,995	3.36	76,163	17,462	587	
		Taiwan	Manufacturing of electric components	426,701	47,073	23,715,360	30.4	414,046	(37,464)	(13,733)	
PDC Prime Holdings Limited	PDC Success Investments Ltd.	Republic of Mauritius	Investment holding	387,932	387,932	12,009,000	100	771,055	(2,328)	(2,328)	
		Hong Kong	International trade	285,332	285,332	70,036,752	100	770,023	(25,187)	(25,187)	
	Prosperity International Development (HK) Co., Ltd.	Hong Kong	Investment holding	76,112	76,112	2,401,000	100	63,734	(293)	(293)	
Prosperity International Development (HK) Co., Ltd.	GHPW Enterprise Corporation (HK) Limited	Hong Kong	Investment holding	76,080	76,080	2,400,000	10	63,709	(2,936)	(294)	

Note 1: For the information on investees in mainland China, refer to Table 7.

Note 2: The closing exchange rate as of September 30, 2022 was used to convert the foreign currencies into New Taiwan dollars. The closing exchange rate as of September 30, 2022 was US\$ to NT\$ = 1:31.7.

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA OF PROSPERITY DIELECTRICS CO., LTD.
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. The names of investee companies in mainland China, their main businesses and products, total amount of paid-in capital, method of investment, remittance of funds, percentage of ownership in investments, investment gain or loss, carrying amount, and accumulated repatriation of investment income were as follows:

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of September 30, 2022 (Note 3)	Accumulated Repatriation of Investment Income as of September 30, 2022
					Outward	Inward						
PDC Electronics (Suzhou) Co., Ltd.	Manufacturing of electronic parts and ceramic components	\$ 380,400 (US\$ 12,000,000)	Note 1	\$ 380,400 (US\$ 12,000,000)	\$ -	\$ -	\$ 380,400 (US\$ 12,000,000)	\$ (2,368)	100	\$ (2,368)	\$ 770,763	\$ 164,216 (US\$ 5,180,313)
Dongguan Frontier Electronics Co., Ltd.	Selling of electronic components	193,370 (US\$ 6,100,000)	Note 1	193,370 (US\$ 6,100,000)	-	-	193,370 (US\$ 6,100,000)	(425)	100	(425)	245,572	103,950 (US\$ 3,279,186)
Chongqing Shuohong Investment Co., Ltd.	Investment management, investment consultation services	2,374,082 (RMB 530,000,000) (Note 4)	Note 1	-	-	-	-	(59,659)	20.43	(12,190)	585,288	-
Chongqing Xincheng Electronic Co., Ltd.	Selling of electronic components, real estate investment and leasing	242,434 (RMB 54,122,000) (Note 5)	Note 1	-	-	-	-	(17,727)	13.04	(2,311)	43,751	-
GHPW Enterprise Corporation (Chongqing) Limited	Business consultations, business management, consultation services and property management	760,800 (US\$ 24,000,000)	Note 1	76,080 (US\$ 2,400,000)	-	-	76,080 (US\$ 2,400,000)	(2,863)	10	(286)	63,628	-
Prosperity Frontier Electronics (Shenzhen) Co., Ltd.	Manufacturing and selling of chip components, power electronic devices and new electronic components	190,200 (US\$ 6,000,000)	Note 1	178,844 (US\$ 5,641,768)	-	-	178,844 (US\$ 5,641,768)	(1,277)	100	(1,277)	132,172	-
Prosperity Frontier Electronics (Guangzhou) Co., Ltd.	Manufacturing and selling of chip components, power electronic devices and new electronic components	4,479 (RMB 1,000,000) (Note 6)	Note 1	-	-	-	-	(1,050)	100	(1,050)	2,628	-

Note 1: Investment in mainland China companies through an existing company established in a third region.

Note 2: Based on the financial statements of the investee companies reviewed by the attesting CPA of the parent company in Taiwan.

Note 3: The average exchange rate as of September 30, 2022 is used to convert the foreign currencies into New Taiwan dollars except for the investment gains and losses of the current period (converted at the average exchange rate of the nine months ended September 30, 2022) if the relevant figures in this table involve foreign currencies.

Note 4: Investment amount of RMB108,290,000 was made using PDC Electronics (Suzhou) Co., Ltd.'s own capital.

Note 5: Investment amount of RMB7,055,500 was made using Frontier Electronic (Chong Qing) Co., Ltd.'s own capital, which has been transferred to Dongguan Frontier Electronics Co., Ltd. in December 2017.

Note 6: Investment of RMB1,000,000 was made using Dongguan Frontier Electronics Co., Ltd.'s own capital.

(Continued)

2. Investment quota for mainland China:

Accumulated Outward Remittance for Investments in Mainland China as of September 30, 2022	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$ 931,238 (US\$ 29,376,590)	\$ 1,078,426 (US\$ 34,019,762)	(Note 2)

Note 1: The average exchange rates as of September 30, 2022 are as follows:

US\$ to NT\$ = 1:31.7
RMB to NT\$ = 1:4.4794

The average exchange rates for the nine months ended September 30, 2022 are as follows:

US\$ to NT\$ = 1:29.285
RMB to NT\$ = 1:4.439

Note 2: The Company has obtained the operational headquarters certification document approved by the Industrial Development Bureau of the Ministry of Economic Affairs and is exempt from the “Regulations Governing the Examination of Investment or Technical Cooperation in mainland China”.

3. Significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Table 5.
4. Circumstances in which investee mainland China companies in provide endorsements, guarantees or collaterals directly or indirectly through third-region enterprises: None.
5. Circumstances of financing provided with investee mainland China companies directly or indirectly through a third region: None.
6. Other transactions that have a material effect on the current profit and loss or financial status: None.

(Concluded)

TABLE 8**PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS
SEPTEMBER 30, 2022**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Walsin Technology Corporation	74,186,468	43.13