

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

**Consolidated Financial Statements for the
Six Months Ended June 30, 2023 and
2022 (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 June 30, 2023 and 2022 as restated, and the related consolidated statements of comprehensive income for the three months ended June 30, 2023 and 2022 as restated and for the six months ended June 30, 2023 and 2022 as restated, the consolidated statements of changes in equity and cash flows for the six 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 the Standards on Review Engagements of the Republic of China 2410 "Review of Interim 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 auditors. As of June 30, 2022 as restated, total investments accounted for using the equity method amounted to NT\$406,788 thousand, and the total share of loss of the associates accounted for using the equity method for the three months ended June 30, 2022 as restated and for the six months ended June 30, 2022 as restated amounted to NT\$13,547 thousand and NT\$18,696 thousand, respectively.

Qualified Conclusion

Based on our reviews and the report of other auditors (please refer to the 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 June 30, 2023 and 2022 as restated, and its consolidated financial performance for the three months ended June 30, 2023 and 2022 as restated, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2023 and 2022 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 audit the financial statements of certain investments accounted for using the equity method, but such financial statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included for these investees, is based solely on the reports of the other auditors. The investments accounted for using the equity method amounted to NT\$397,415 thousand as of June 30, 2023, and the total share of gain (loss) of the associates accounted for using the equity method for the three months ended June 30, 2023 and for the six months ended June 30, 2023 amounted to NT\$3,583 thousand and NT\$(7,951) thousand, respectively.

Emphasis of Matter

As described in Notes 13 and 28 to the consolidated financial statements, in July 2022, Prosperity Dielectrics Co., Ltd. and its 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 a 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\$357,938 thousand on June 30, 2022. For the three months ended June 30, 2022 and for the six months ended June 30, 2022, the comprehensive income of previously held interests decreased by NT\$14,788 thousand, and NT\$13,322 thousand, respectively. The accountants did not revise the review conclusion of the consolidated financial statements for the second quarter of 2022 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

August 10, 2023

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	June 30, 2023		December 31, 2022		June 30, 2022 (Restated)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 1,309,096	15	\$ 1,605,577	18	\$ 1,912,787	21
Financial assets at fair value through profit or loss - current (Note 7)	125,287	2	348,414	4	368,867	4
Financial assets at amortized cost - current (Note 8)	358,635	4	79,496	1	79,599	1
Notes receivable from unrelated parties (Note 9)	29,499	-	31,317	-	30,936	-
Trade receivables from unrelated parties (Note 9)	609,215	7	583,613	7	822,480	9
Trade receivables from related parties (Note 26)	285,172	3	212,608	2	282,119	3
Other receivables from unrelated parties	42,765	1	29,602	-	32,085	-
Other receivables from related parties (Note 26)	21,460	-	1,273	-	12,692	-
Inventories (Note 10)	725,157	8	671,972	8	785,598	9
Other current assets	30,148	-	39,467	1	40,836	-
Total current assets	<u>3,536,434</u>	<u>40</u>	<u>3,603,339</u>	<u>41</u>	<u>4,367,999</u>	<u>47</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 12)	1,564,524	18	1,359,851	16	1,106,032	12
Financial assets at amortized cost - non-current (Note 8)	354,375	4	212,610	2	147,362	2
Investments accounted for using the equity method (Note 13)	1,123,182	13	1,150,757	13	1,190,191	13
Property, plant and equipment (Note 14)	1,962,838	22	2,161,442	25	2,149,558	23
Right-of-use assets (Note 15)	165,260	2	183,048	2	204,380	2
Computer software	7,175	-	8,214	-	9,276	-
Deferred tax assets (Note 4)	39,015	1	39,395	1	38,187	1
Other non-current assets	19,979	-	14,098	-	9,607	-
Total non-current assets	<u>5,236,348</u>	<u>60</u>	<u>5,129,415</u>	<u>59</u>	<u>4,854,593</u>	<u>53</u>
TOTAL	<u>\$ 8,772,782</u>	<u>100</u>	<u>\$ 8,732,754</u>	<u>100</u>	<u>\$ 9,222,592</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 16)	\$ -	-	\$ 230,000	3	\$ -	-
Trade payables to unrelated parties	342,987	4	210,919	2	368,859	4
Trade payables to related parties (Note 26)	106,931	1	102,475	1	116,819	1
Other payables to unrelated parties (Note 17)	602,992	7	406,176	5	846,768	9
Other payables to related parties (Note 26)	19,078	-	16,506	-	21,138	-
Current tax liabilities (Note 4)	37,232	1	151,907	2	111,530	1
Lease liabilities - current (Note 15)	32,105	-	34,708	-	35,784	1
Current portion of long-term borrowings (Note 16)	417,508	5	349,591	4	149,167	2
Other current liabilities	22,902	-	18,446	-	12,266	-
Total current liabilities	<u>1,581,735</u>	<u>18</u>	<u>1,520,728</u>	<u>17</u>	<u>1,662,331</u>	<u>18</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 16)	265,335	3	472,193	6	678,896	7
Deferred tax liabilities (Note 4)	168,574	2	158,439	2	165,307	2
Lease liabilities - non-current (Note 15)	136,662	2	151,490	2	172,242	2
Deferred revenue - non-current (Note 17)	2,986	-	4,882	-	6,938	-
Net defined benefit liabilities - non-current (Note 4)	8,647	-	24,347	-	34,424	1
Guarantee deposits received	25,005	-	22,775	-	23,553	-
Total non-current liabilities	<u>607,209</u>	<u>7</u>	<u>834,126</u>	<u>10</u>	<u>1,081,360</u>	<u>12</u>
Total liabilities	<u>2,188,944</u>	<u>25</u>	<u>2,354,854</u>	<u>27</u>	<u>2,743,691</u>	<u>30</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)						
Share capital						
Ordinary shares	1,720,000	20	1,720,000	20	1,720,000	19
Capital surplus	498,708	6	498,708	6	498,708	5
Retained earnings						
Legal reserve	687,087	8	624,924	7	624,924	7
Special reserve	67,764	1	67,764	1	67,764	1
Unappropriated earnings	3,039,175	34	2,992,429	34	2,885,737	31
Total retained earnings	<u>3,794,026</u>	<u>43</u>	<u>3,685,117</u>	<u>42</u>	<u>3,578,425</u>	<u>39</u>
Other equity						
Exchange differences on the translation of the financial statements of foreign operations	(84,189)	(1)	(50,917)	(1)	(64,329)	(1)
Unrealized gain on financial assets at fair value through other comprehensive income	709,664	8	579,363	7	442,530	5
Total other equity	<u>625,475</u>	<u>7</u>	<u>528,446</u>	<u>6</u>	<u>378,201</u>	<u>4</u>
Treasury shares	(54,371)	(1)	(54,371)	(1)	(54,371)	(1)
Total equity attributable to owners of the Company	<u>6,583,838</u>	<u>75</u>	<u>6,377,900</u>	<u>73</u>	<u>6,120,963</u>	<u>66</u>
EQUITY ATTRIBUTABLE TO FORMER OWNER OF BUSINESS COMBINATION UNDER COMMON CONTROL						
	-	-	-	-	357,938	4
Total equity	<u>6,583,838</u>	<u>75</u>	<u>6,377,900</u>	<u>73</u>	<u>6,478,901</u>	<u>70</u>
TOTAL	<u>\$ 8,772,782</u>	<u>100</u>	<u>\$ 8,732,754</u>	<u>100</u>	<u>\$ 9,222,592</u>	<u>100</u>

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

(With Deloitte & Touche review report dated August 10, 2023)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2023		2022 (Restated)		2023		2022 (Restated)	
	Amount	%	Amount	%	Amount	%	Amount	%
NET SALES (Note 23)	\$ 966,119	100	\$ 1,172,467	100	\$ 1,845,792	100	\$ 2,445,873	100
COST OF SALES (Note 10)	<u>752,336</u>	<u>78</u>	<u>854,685</u>	<u>73</u>	<u>1,458,446</u>	<u>79</u>	<u>1,783,423</u>	<u>73</u>
GROSS PROFIT	<u>213,783</u>	<u>22</u>	<u>317,782</u>	<u>27</u>	<u>387,346</u>	<u>21</u>	<u>662,450</u>	<u>27</u>
OPERATING EXPENSES								
Selling and marketing expenses	33,521	4	37,263	3	53,210	3	72,359	3
General and administrative expenses	32,433	3	34,711	3	54,038	3	70,854	3
Research and development expenses	<u>21,935</u>	<u>2</u>	<u>23,373</u>	<u>2</u>	<u>39,492</u>	<u>2</u>	<u>43,117</u>	<u>1</u>
Total operating expenses	<u>87,889</u>	<u>9</u>	<u>95,347</u>	<u>8</u>	<u>146,740</u>	<u>8</u>	<u>186,330</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>125,894</u>	<u>13</u>	<u>222,435</u>	<u>19</u>	<u>240,606</u>	<u>13</u>	<u>476,120</u>	<u>20</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	16,679	2	4,388	-	29,932	2	9,480	-
Dividend income	21,758	2	13,139	1	21,854	1	13,139	1
Other income	4,214	-	5,534	1	8,285	-	10,843	-
Gain on disposal of property, plant and equipment	-	-	10	-	-	-	340	-
Gain on disposal of investments	-	-	521	-	-	-	17,807	1
Foreign exchange gain	17,943	2	23,797	2	10,256	1	55,000	2
Gain on valuation of financial assets at FVTPL	37,754	4	-	-	108,071	6	-	-
Gain on reversal of impairment loss	1,502	-	1,503	-	3,005	-	3,005	-
Share of profit of associates accounted for using the equity method (Note 13)	1,480	-	-	-	-	-	-	-
Interest expense	(3,655)	-	(3,180)	-	(7,981)	-	(5,688)	-
Miscellaneous expenses	(1,411)	-	(8,410)	(1)	(1,679)	-	(9,253)	-
Loss on disposal of investments	(31,712)	(3)	-	-	(31,367)	(2)	-	-
Loss on valuation of financial assets at FVTPL	-	-	(34,387)	(3)	-	-	(68,948)	(3)
Share of loss of associates accounted for using the equity method (Note 13)	<u>-</u>	<u>-</u>	<u>(13,003)</u>	<u>(1)</u>	<u>(11,600)</u>	<u>(1)</u>	<u>(16,305)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>64,552</u>	<u>7</u>	<u>(10,088)</u>	<u>(1)</u>	<u>128,776</u>	<u>7</u>	<u>9,420</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	190,446	20	212,347	18	369,382	20	485,540	20
INCOME TAX EXPENSE (Notes 4 and 21)	<u>(42,106)</u>	<u>(5)</u>	<u>(46,366)</u>	<u>(4)</u>	<u>(71,427)</u>	<u>(4)</u>	<u>(104,862)</u>	<u>(5)</u>
NET PROFIT FOR THE PERIOD	<u>148,340</u>	<u>15</u>	<u>165,981</u>	<u>14</u>	<u>297,955</u>	<u>16</u>	<u>380,678</u>	<u>15</u>

(Continued)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2023		2022 (Restated)		2023		2022 (Restated)	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 19)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized valuation (loss) gain on investments in equity instruments at fair value through other comprehensive income	\$ (10,969)	(1)	\$ (199,919)	(17)	\$ 139,704	8	\$ (334,875)	(14)
Share of the other comprehensive income (loss) of associates accounted for using the equity method	621	-	(16,338)	(2)	7,951	-	(25,031)	(1)
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on the translation of the financial statements of foreign operations	(26,217)	(3)	(13,313)	(1)	(27,846)	(2)	51,110	2
Share of the other comprehensive (loss) income of associates accounted for using the equity method	(4,994)	-	(2,334)	-	(5,426)	-	5,032	1
Other comprehensive (loss) income for the period	(41,559)	(4)	(231,904)	(20)	114,383	6	(303,764)	(12)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 106,781</u>	<u>11</u>	<u>\$ (65,923)</u>	<u>(6)</u>	<u>\$ 412,338</u>	<u>22</u>	<u>\$ 76,914</u>	<u>3</u>
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ 148,340	15	\$ 178,439	15	\$ 297,955	16	\$ 397,551	16
Equity attributable to former owner of business combination under common control	-	-	(12,458)	(1)	-	-	(16,873)	(1)
	<u>\$ 148,340</u>	<u>15</u>	<u>\$ 165,981</u>	<u>14</u>	<u>\$ 297,955</u>	<u>16</u>	<u>\$ 380,678</u>	<u>15</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 106,781	11	\$ (51,135)	(5)	\$ 412,338	22	\$ 90,236	4
Equity attributable to former owner of business combination under common control	-	-	(14,788)	(1)	-	-	(13,322)	(1)
	<u>\$ 106,781</u>	<u>11</u>	<u>\$ (65,923)</u>	<u>(6)</u>	<u>\$ 412,338</u>	<u>22</u>	<u>\$ 76,914</u>	<u>3</u>
EARNINGS PER SHARE (Note 22)								
Basic	<u>\$ 0.87</u>		<u>\$ 1.04</u>		<u>\$ 1.74</u>		<u>\$ 2.32</u>	
Diluted	<u>\$ 0.87</u>		<u>\$ 1.04</u>		<u>\$ 1.74</u>		<u>\$ 2.31</u>	

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

(With Deloitte & Touche review report dated August 10, 2023)

(Concluded)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											Total Equity
	Share Capital		Capital Surplus	Retained Earnings			Other Equity (Note 19)		Treasury Shares	Total	Equity Attributable to Former Owner of Business Combination under Common Control	
	Number of Shares (In Thousands)	Share Capital		Legal Reserve	Special Reserve	Unappropriated 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				
BALANCE AT JANUARY 1, 2022	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)
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	160	-	-	(219)	-	-	-	(59)	-	(59)
Net profit (loss) for the six months ended June 30, 2022	-	-	-	-	-	397,551	-	-	-	397,551	(16,873)	380,678
Other comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	-	-	52,194	(359,509)	-	(307,315)	3,551	(303,764)
Total comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	-	397,551	52,194	(359,509)	-	90,236	(13,322)	76,914
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 19)	-	-	-	-	-	117,603	-	(117,603)	-	-	-	-
Retrospective adjustment by equity attributable to former owner of business combination under common control	-	-	-	-	-	-	-	-	-	-	47,229	47,229
BALANCE AT JUNE 30, 2022	<u>172,000</u>	<u>\$ 1,720,000</u>	<u>\$ 498,708</u>	<u>\$ 624,924</u>	<u>\$ 67,764</u>	<u>\$ 2,885,737</u>	<u>\$ (64,329)</u>	<u>\$ 442,530</u>	<u>\$ (54,371)</u>	<u>\$ 6,120,963</u>	<u>\$ 357,938</u>	<u>\$ 6,478,901</u>
BALANCE AT JANUARY 1, 2023	172,000	\$ 1,720,000	\$ 498,708	\$ 624,924	\$ 67,764	\$ 2,992,429	\$ (50,917)	\$ 579,363	\$ (54,371)	\$ 6,377,900	\$ -	\$ 6,377,900
Appropriation of 2022 earnings (Note 19)												
Legal reserve	-	-	-	62,163	-	(62,163)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(206,400)	-	-	-	(206,400)	-	(206,400)
Net profit for the six months ended June 30, 2023	-	-	-	-	-	297,955	-	-	-	297,955	-	297,955
Other comprehensive (loss) income for the six months ended June 30, 2023	-	-	-	-	-	-	(33,272)	147,655	-	114,383	-	114,383
Total comprehensive income for the six months ended June 30, 2023	-	-	-	-	-	297,955	(33,272)	147,655	-	412,338	-	412,338
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 19)	-	-	-	-	-	17,354	-	(17,354)	-	-	-	-
BALANCE AT JUNE 30, 2023	<u>172,000</u>	<u>\$ 1,720,000</u>	<u>\$ 498,708</u>	<u>\$ 687,087</u>	<u>\$ 67,764</u>	<u>\$ 3,039,175</u>	<u>\$ (84,189)</u>	<u>\$ 709,664</u>	<u>\$ (54,371)</u>	<u>\$ 6,583,838</u>	<u>\$ -</u>	<u>\$ 6,583,838</u>

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

(With Deloitte & Touche review report dated August 10, 2023)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2023	2022 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 369,382	\$ 485,540
Adjustments for:		
Depreciation expense	227,016	227,502
Amortization expense	3,352	2,884
Net (gain) loss on valuation of financial assets at FVTPL	(108,071)	68,948
Interest expense	7,981	5,688
Interest income	(29,932)	(9,480)
Dividend income	(21,854)	(13,139)
Share of loss of associates accounted for using the equity method	11,600	16,305
Gain on disposal of property, plant and equipment	-	(340)
Loss (gain) on disposal of investments	31,367	(17,807)
Impairment loss of non-financial assets	10,626	1,596
Changes in operating assets and liabilities		
Decrease in financial assets mandatorily classified as at fair value through profit or loss	299,698	112,058
Decrease in notes receivable from unrelated parties	1,818	19,946
Increase in trade receivables from unrelated parties	(25,602)	(79,462)
(Increase) decrease in trade receivables from related parties	(72,564)	53,857
Decrease in other receivables from unrelated parties	16,127	11,520
(Increase) decrease in other receivables from related parties	(18,781)	414
(Increase) decrease in inventories	(66,816)	30,371
Decrease in other current assets	9,319	12,567
Increase in other non-current assets	(2,755)	(3,693)
Increase (decrease) in trade payables to unrelated parties	132,068	(20,705)
Increase (decrease) in trade payables to related parties	4,456	(46,772)
Decrease in other payables to unrelated parties	(4,389)	(76,677)
Increase in other payables to related parties	2,648	6,026
Increase (decrease) in other current liabilities	4,456	(3,682)
Decrease in net defined benefit liabilities	(15,700)	(16,967)
Cash generated from operations	765,450	766,498
Interest received	22,496	13,993
Interest paid	(8,020)	(5,514)
Income tax paid	(175,587)	(147,849)
Net cash generated from operating activities	<u>604,339</u>	<u>627,128</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(100,000)	(80,000)
Disposal of financial assets at fair value through other comprehensive income	35,165	246,167
Purchase of financial assets at amortized cost	(420,904)	(147,362)

(Continued)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2023	2022 (Restated)
Disposal of financial assets at amortized cost	\$ -	\$ 226,574
Purchase of investments accounted for using the equity methods	-	(7,179)
Payments for property, plant and equipment	(39,351)	(277,057)
Proceeds from disposal of property, plant and equipment	20,287	406
Increase in refundable deposits	(2,069)	(765)
Acquisition of intangible assets	-	(3,000)
Net cash used in investing activities	<u>(506,872)</u>	<u>(42,216)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(230,000)	-
Repayments of long-term borrowings	(140,837)	-
Proceeds from guaranteed deposits received	2,230	-
Refund of guaranteed deposits received	-	(1,681)
Repayments of the principal portion of lease liabilities	<u>(17,331)</u>	<u>(17,061)</u>
Net cash used in financing activities	<u>(385,938)</u>	<u>(18,742)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(8,010)</u>	<u>34,419</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(296,481)	600,589
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,605,577</u>	<u>1,312,198</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 1,309,096</u>	<u>\$ 1,912,787</u>

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

(With Deloitte & Touche review report dated August 10, 2023)

(Concluded)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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 ordinary shares of the Company as of June 30, 2023 and 2022.

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 August 10, 2023.

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)

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.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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
Amendments to IFRS 16 “Leases 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, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024
Amendments to IAS 12 “International Tax Reform - Pillar Two Model Rules”	Note 3

Note 1: Unless stated otherwise, the above 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.

Note 3: The requirement that the Group applies the exception and the requirement to disclose that fact is applied immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The remaining disclosure requirements are applied for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

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 5 and 6 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Acquisition of investments of associates under common control

For transactions relating to the acquisition of investment is under common control that result in the significant influence, the Group shall choose to apply analogously the accounting treatment for business combinations under common control. Therefore, the transaction is accounted for applying the book-value method at the date of the acquisition and comparative information of the prior period in the consolidated financial statements is restated as if the acquisition had already occurred.

e. Other material accounting policies

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2022.

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. MATERIAL 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 on 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.

In addition, the same material accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Company's consolidated financial statements for the year ended December 31, 2022.

6. CASH AND CASH EQUIVALENTS

	June 30, 2023	December 31, 2022	June 30, 2022
Cash on hand	\$ 454	\$ 539	\$ 668
Checking accounts and demand deposits	235,824	398,256	892,616
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	759,287	1,053,692	391,855
Repurchase agreements collateralized by bonds	<u>313,531</u>	<u>153,090</u>	<u>627,648</u>
	<u>\$ 1,309,096</u>	<u>\$ 1,605,577</u>	<u>\$ 1,912,787</u>

The market rate intervals of cash equivalents were as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Time deposits with original maturities of 3 months or less	1%-5.25%	1.1%-4.9%	1%-1.85%
Repurchase agreements collateralized by bonds	0.93%-0.98%	0.8%-4.1%	0.33%-0.45%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2023	December 31, 2022	June 30, 2022
Financial assets mandatorily classified as at <u>FVTPL - current</u>			
Non-derivative financial assets			
Domestic listed shares	\$ 66,760	\$ 250,030	\$ 288,423
Mutual funds	58,527	53,835	35,995
Government bonds	<u>-</u>	<u>44,549</u>	<u>44,449</u>
	<u>\$ 125,287</u>	<u>\$ 348,414</u>	<u>\$ 368,867</u>

8. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ 353,591	\$ 74,605	\$ 74,900
Restricted deposits (b)	<u>5,044</u>	<u>4,891</u>	<u>4,699</u>
	<u>\$ 358,635</u>	<u>\$ 79,496</u>	<u>\$ 79,599</u>
<u>Non-current</u>			
Bonds (c)	<u>\$ 354,375</u>	<u>\$ 212,610</u>	<u>\$ 147,362</u>

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

	June 30, 2023	December 31, 2022	June 30, 2022
Time deposits with original maturities of more than 3 months	1.55%-5.15%	1.425%-4.125%	1.175%-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 bonds held by the Group at the balance sheet date were as follows:

June 30, 2023

Non-current

Period	Face Value	Range of Coupon Rate	Range of Effective Interest Rate
June to December 2022	US\$7,000,000	3%-3.875%	3.7563%-4.3224%
February 2023	US\$4,400,000	5.079%	4.4235%

December 31, 2022

Non-current

Period	Face Value	Range of Coupon Rate	Range of Effective Interest Rate
June to December 2022	US\$7,000,000	3%-3.875%	3.7563%-4.3224%

June 30, 2022

Non-current

Period	Face Value	Range of Coupon Rate	Range of Effective Interest Rate
June 2022	US\$5,000,000	3.3%-3.875%	3.7563%-3.8992%

9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Notes receivable from unrelated parties</u>			
At amortized cost			
Gross carrying amount	\$ 29,499	\$ 31,317	\$ 30,936
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 29,499</u>	<u>\$ 31,317</u>	<u>\$ 30,936</u>
<u>Trade receivables from unrelated parties</u>			
At amortized cost			
Gross carrying amount	\$ 632,014	\$ 606,441	\$ 846,888
Less: Allowance for impairment loss	<u>(22,799)</u>	<u>(22,828)</u>	<u>(24,408)</u>
	<u>\$ 609,215</u>	<u>\$ 583,613</u>	<u>\$ 822,480</u>

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 customers' past default records and 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 the customers' past default records and current financial positions:

June 30, 2023

	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	\$ 658,670	\$ 2,843	\$ -	\$ -	\$ -	\$ -	\$ 661,513
Loss allowance (Lifetime ECLs)	<u>(22,657)</u>	<u>(142)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,799)</u>
Amortized cost	<u>\$ 636,013</u>	<u>\$ 2,701</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 638,714</u>

December 31, 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	\$ 628,389	\$ 256	\$ 9,113	\$ -	\$ -	\$ -	\$ 637,758
Loss allowance (Lifetime ECLs)	<u>(21,904)</u>	<u>(13)</u>	<u>(911)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,828)</u>
Amortized cost	<u>\$ 606,485</u>	<u>\$ 243</u>	<u>\$ 8,202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 614,930</u>

June 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	\$ 855,933	\$ 18,770	\$ 9	\$ 480	\$ 2,632	\$ -	\$ 877,824
Loss allowance (Lifetime ECLs)	<u>(22,056)</u>	<u>(939)</u>	<u>(1)</u>	<u>(96)</u>	<u>(1,316)</u>	<u>-</u>	<u>(24,408)</u>
Amortized cost	<u>\$ 833,877</u>	<u>\$ 17,831</u>	<u>\$ 8</u>	<u>\$ 384</u>	<u>\$ 1,316</u>	<u>\$ -</u>	<u>\$ 853,416</u>

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

	For the Six Months Ended June 30	
	2023	2022
Balance at January 1	\$ 22,828	\$ 24,349
Foreign exchange differences	<u>(29)</u>	<u>59</u>
Balance at June 30	<u>\$ 22,799</u>	<u>\$ 24,408</u>

10. INVENTORIES

	June 30, 2023	December 31, 2022	June 30, 2022
Finished goods	\$ 241,048	\$ 178,908	\$ 231,934
Semi-finished goods	99,399	85,484	104,855
Work in progress	146,379	157,005	109,558
Raw materials	223,210	232,278	321,825
Inventory in transit	<u>15,121</u>	<u>18,297</u>	<u>17,426</u>
	<u>\$ 725,157</u>	<u>\$ 671,972</u>	<u>\$ 785,598</u>

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Cost of inventories sold	\$ 739,445	\$ 854,214	\$ 1,444,815	\$ 1,778,822
Inventory write-downs	<u>12,891</u>	<u>471</u>	<u>13,631</u>	<u>4,601</u>
	<u>\$ 752,336</u>	<u>\$ 854,685</u>	<u>\$ 1,458,446</u>	<u>\$ 1,783,423</u>

11. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		
			June 30, 2023	December 31, 2022	June 30, 2022
Prosperity Dielectrics Co., Ltd.	PDC Prime Holdings Limited	Investment holding	100	100	100
Prosperity Dielectrics Co., Ltd.	Frontec International Corporation	Investment holding	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 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
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	- (Note)	100	100

Note: The company's liquidation was finalized in June 2023.

The above-mentioned subsidiaries included in the consolidated financial statements have been reviewed for the six months ended June 30, 2023 and 2022 and have been audited for the year ended December 31, 2022.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Non-current</u>			
Domestic investments - listed shares	\$ 1,213,673	\$ 1,118,683	\$ 893,078
Domestic investments - unlisted shares	<u>350,851</u>	<u>241,168</u>	<u>212,954</u>
	<u>\$ 1,564,524</u>	<u>\$ 1,359,851</u>	<u>\$ 1,106,032</u>

Investments in Equity Instruments at FVTOCI

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Non-current</u>			
Domestic investments - listed shares			
Walton Advanced Engineering Inc.	\$ 457,988	\$ 362,241	\$ 389,369
Walsin Lihwa Corporation	450,574	518,710	252,350
HannStar Board Corporation	272,363	179,403	179,403
Singatron Enterprise Co., Ltd.	-	-	6,021
APAQ Technology Co., Ltd.	3,998	30,779	36,285
Fubon Financial Holding Co., Ltd. Preferred Shares C	28,750	27,550	29,650
Domestic investments - unlisted shares			
Chin-Xin Investment Co., Ltd.	164,541	153,067	134,151
Hwa Bao Botanic Conservation Corp.	<u>186,310</u>	<u>88,101</u>	<u>78,803</u>
	<u>\$ 1,564,524</u>	<u>\$ 1,359,851</u>	<u>\$ 1,106,032</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 May 2023 and June 2022, the Company paid \$100,000 thousand and \$80,000 thousand to subscribed new shares totaled 10,000 and 8,000 thousand shares, respectively, 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

	June 30, 2023	December 31, 2022	June 30, 2022 (Restated)
Chongqing Shuohong Investment Co., Ltd.	\$ 539,696	\$ 556,975	\$ 595,445
Chongqing Xincheng Electronics Co., Ltd.	39,212	40,618	45,907
GHPW Enterprise Corporation (HK) Limited	61,040	63,051	63,472
Tsai Yi Corporation	85,819	79,189	78,579
Joyin Co., Ltd.	<u>397,415</u>	<u>410,924</u>	<u>406,788</u>
	<u>\$ 1,123,182</u>	<u>\$ 1,150,757</u>	<u>\$ 1,190,191</u>

Share of profit or loss of associates for the three months ended June 30, 2023 and 2022 and for the six months ended June 30, 2023 and 2022 was summarized as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022 (Restated)	2023	2022 (Restated)
Chongqing Shuohong Investment Co., Ltd.	\$ (1,231)	\$ (120)	\$ (1,823)	\$ 3,106
Chongqing Xincheng Electronics Co., Ltd.	(172)	438	(283)	226
GHPW Enterprise Corporation (HK) Limited	(45)	(90)	(91)	(207)
Tsai Yi Corporation	(655)	316	(1,452)	(734)
Joyin Co., Ltd.	<u>3,583</u>	<u>(13,547)</u>	<u>(7,951)</u>	<u>(18,696)</u>
	<u>\$ 1,480</u>	<u>\$ (13,003)</u>	<u>\$ (11,600)</u>	<u>\$ (16,305)</u>

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

	June 30, 2023	December 31, 2022	June 30, 2022 (Restated)
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%	30.4%	30.4%

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 (before the name changed, it was Walsin Color Corporation), its parent company, Walsin Technology Corporation, exercises significant influence over those companies; therefore, they are accounted for using the equity method.

In June 2022, the board of directors of PDC 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 28.

Refer to Table 5 “Information on Investments” and Table 6 “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. whose financial statements have not been reviewed by independent accountants for the six months ended June 30, 2022, the share of profit or loss and other comprehensive income of the investments in associates accounted for using the equity method for the six months ended June 30, 2023 and 2022 was recognized based on the associates’ financial statements reviewed by independent accountants for the same periods.

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Office Equipment	Other Equipment	Property under Construction and Prepayments for Equipment	Total
<u>Cost</u>							
Balance at January 1, 2022	\$ 302,220	\$ 1,025,510	\$ 2,824,847	\$ 46,650	\$ 234,853	\$ 114,906	\$ 4,548,986
Additions	-	1	1,939	-	-	134,599	136,539
Disposals	-	(149)	(5,052)	(82)	(4,637)	-	(9,920)
Effects of foreign currency exchange differences	-	4,131	5,964	34	835	8	10,972
Reclassifications	-	13,934	143,308	3,566	6,448	(161,246)	6,010
Balance at June 30, 2022	<u>\$ 302,220</u>	<u>\$ 1,043,427</u>	<u>\$ 2,971,006</u>	<u>\$ 50,168</u>	<u>\$ 237,499</u>	<u>\$ 88,267</u>	<u>\$ 4,692,587</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2022	\$ -	\$ 671,534	\$ 1,457,043	\$ 26,705	\$ 175,030	\$ -	\$ 2,330,312
Depreciation expenses	-	44,408	152,411	3,367	10,082	-	210,268
Disposals	-	(149)	(4,986)	(82)	(4,637)	-	(9,854)
Reversals of impairment losses	-	(3,005)	-	-	-	-	(3,005)
Effects of foreign currency exchange differences	-	3,469	4,036	30	807	-	8,342
Reclassifications	-	6,010	-	-	956	-	6,966
Balance at June 30, 2022	<u>\$ -</u>	<u>\$ 722,267</u>	<u>\$ 1,608,504</u>	<u>\$ 30,020</u>	<u>\$ 182,238</u>	<u>\$ -</u>	<u>\$ 2,543,029</u>
Carrying amount at June 30, 2022	<u>\$ 302,220</u>	<u>\$ 321,160</u>	<u>\$ 1,362,502</u>	<u>\$ 20,148</u>	<u>\$ 55,261</u>	<u>\$ 88,267</u>	<u>\$ 2,149,558</u>
<u>Cost</u>							
Balance at January 1, 2023	\$ 451,115	\$ 1,105,773	\$ 2,985,711	\$ 50,091	\$ 238,668	\$ 65,564	\$ 4,896,922
Additions	-	-	-	-	-	34,119	34,119
Disposals	-	-	(51,473)	-	(2,257)	-	(53,730)
Effects of foreign currency exchange differences	-	(5,491)	(6,494)	(42)	(1,052)	-	(13,079)
Reclassifications	-	6,149	30,351	-	2,008	(32,497)	6,011
Balance at June 30, 2023	<u>\$ 451,115</u>	<u>\$ 1,106,431</u>	<u>\$ 2,958,095</u>	<u>\$ 50,049</u>	<u>\$ 237,367</u>	<u>\$ 67,186</u>	<u>\$ 4,870,243</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2023	\$ -	\$ 745,295	\$ 1,764,930	\$ 32,952	\$ 192,303	\$ -	\$ 2,735,480
Depreciation expenses	-	43,455	155,341	2,692	8,521	-	210,009
Disposals	-	-	(29,110)	-	(2,257)	-	(31,367)
Reversals of impairment losses	-	(3,005)	-	-	-	-	(3,005)
Effects of foreign currency exchange differences	-	(4,889)	(5,334)	(42)	(1,028)	-	(11,293)
Reclassifications	-	6,011	621	-	949	-	7,581
Balance at June 30, 2023	<u>\$ -</u>	<u>\$ 786,867</u>	<u>\$ 1,886,448</u>	<u>\$ 35,602</u>	<u>\$ 198,488</u>	<u>\$ -</u>	<u>\$ 2,907,405</u>
Carrying amount at June 30, 2023	<u>\$ 451,115</u>	<u>\$ 319,564</u>	<u>\$ 1,071,647</u>	<u>\$ 14,447</u>	<u>\$ 38,879</u>	<u>\$ 67,186</u>	<u>\$ 1,962,838</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

	June 30, 2023	December 31, 2022	June 30, 2022	
<u>Carrying amount</u>				
Land	\$ 132,761	\$ 143,351	\$ 153,771	
Buildings	31,612	38,436	49,720	
Transportation equipment	<u>887</u>	<u>1,261</u>	<u>889</u>	
	<u>\$ 165,260</u>	<u>\$ 183,048</u>	<u>\$ 204,380</u>	
	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	2023	2022	2023	2022
Additions of right-of-use assets	<u>\$ -</u>	<u>\$ 32,919</u>	<u>\$ -</u>	<u>\$ 45,238</u>
Depreciation charge for right-of-use assets				
Land	\$ 5,182	\$ 5,184	\$ 10,365	\$ 10,366
Buildings	3,253	3,463	6,529	6,638
Transportation equipment	<u>57</u>	<u>115</u>	<u>113</u>	<u>230</u>
	<u>\$ 8,492</u>	<u>\$ 8,762</u>	<u>\$ 17,007</u>	<u>\$ 17,234</u>

Except for the recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets for the six months ended June 30, 2023 and 2022.

b. Lease liabilities

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Carrying amount</u>			
Current	<u>\$ 32,105</u>	<u>\$ 34,708</u>	<u>\$ 35,784</u>
Non-current	<u>\$ 136,662</u>	<u>\$ 151,490</u>	<u>\$ 172,242</u>

The discount rates of lease liabilities were as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Land	1%	1%	1%
Buildings	1%	1%	1%
Transportation equipment	1%	1%	1%

16. BORROWINGS

a. Short-term borrowings

	June 30, 2023	December 31, 2022	June 30, 2022
Unsecured borrowings			
Line of credit borrowings	\$ <u> -</u>	\$ <u>230,000</u>	\$ <u> -</u>
Interest rate	-	1.74%-2%	-

b. Long-term borrowings

	June 30, 2023	December 31, 2022	June 30, 2022
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	\$ 149,412	\$ 198,970	\$ 198,477
2020.04.09-2024.12.15	74,706	99,485	99,238
2020.07.09-2025.06.15	79,588	79,392	79,196
2020.08.07-2025.06.15	99,486	99,240	98,995
2021.11.09-2025.06.15	59,691	59,544	59,397
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	70,568	95,360	99,280
2020.04.29-2024.12.10	70,568	95,360	99,280
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 36 months after the first disbursement date.			
Loan period			
2020.03.02-2025.03.02	78,824	94,433	94,200
Less: Current portion	<u>(417,508)</u>	<u>(349,591)</u>	<u>(149,167)</u>
Long-term borrowings	<u>\$ 265,335</u>	<u>\$ 472,193</u>	<u>\$ 678,896</u>
Interest rate	1.2%-1.35%	1.075%-1.225%	0.825%-0.975%

17. OTHER LIABILITIES

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Current</u>			
Payables for accrued expense	\$ 334,085	\$ 330,300	\$ 375,096
Payables for purchases of equipment	40,748	45,904	102,030
Payables for dividends	206,900	500	344,500
Payables for annual leave	7,916	6,749	7,252
Payables for remuneration of directors and employee bonuses	<u>13,343</u>	<u>22,723</u>	<u>17,890</u>
	<u>\$ 602,992</u>	<u>\$ 406,176</u>	<u>\$ 846,768</u>
<u>Non-current</u>			
Deferred revenue			
Arising from government grants	<u>\$ 2,986</u>	<u>\$ 4,882</u>	<u>\$ 6,938</u>

18. PROVISIONS

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Current</u>			
Employee benefits (presented in other payables)	<u>\$ 7,916</u>	<u>\$ 6,749</u>	<u>\$ 7,252</u>

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

19. EQUITY

a. Share capital

Ordinary shares

	June 30, 2023	December 31, 2022	June 30, 2022
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

	June 30, 2023	December 31, 2022	June 30, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Issuance of ordinary 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>10,687</u>	<u>10,687</u>
	<u>\$ 498,708</u>	<u>\$ 498,708</u>	<u>\$ 498,708</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 dividends policy

Under the dividends 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, refer to compensation of employees and remuneration of directors in Note 20-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, 2022 and 2021 which were approved in the shareholders' meetings on June 20, 2023 and June 14, 2022, respectively, were as follows:

	For the Year Ended December 31	
	2022	2021
Legal reserve	\$ 62,163	\$ 115,063
Cash dividends	206,400	344,000
Cash dividends per share (NT\$)	1.2	2

d. Other equity items

The movements of other equity items were as follows:

	For the Six Months Ended June 30, 2023		
	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	\$ (50,917)	\$ 579,363	\$ 528,446
Exchange differences on the translation of the net assets of foreign operations	(27,846)	-	(27,846)
Unrealized valuation gain on investments in equity instruments at FVTOCI	-	139,704	139,704
Share from associates accounted for using the equity method	(5,426)	7,951	2,525
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>-</u>	<u>(17,354)</u>	<u>(17,354)</u>
Balance at June 30	<u>\$ (84,189)</u>	<u>\$ 709,664</u>	<u>\$ 625,475</u>

	For the Six Months Ended June 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	51,110	-	51,110
Unrealized valuation loss on investments in equity instruments at FVTOCI	-	(334,875)	(334,875)
Share from associates accounted for using the equity method	1,084	(24,634)	(23,550)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>-</u>	<u>(117,603)</u>	<u>(117,603)</u>
Balance at June 30	<u>\$ (64,329)</u>	<u>\$ 442,530</u>	<u>\$ 378,201</u>

e. Treasury shares

- 1) Movements of the treasury shares for the six months ended June 30, 2023 and 2022 were as follows:

Unit: In Thousands of Shares

	For the Six Months Ended June 30, 2023			
Purpose of Buy-back	Number of Shares at January 1, 2023	Increase During the Period	Decrease During the Period	Number of Shares at June 30, 2023
Shares transferred to employees	<u>800</u>	<u>-</u>	<u>-</u>	<u>800</u>

	For the Six Months Ended June 30, 2022			
Purpose of Buy-back	Number of Shares at January 1, 2022	Increase During the Period	Decrease During the Period	Number of Shares at June 30, 2022
Shares transferred to employees	<u>800</u>	<u>-</u>	<u>-</u>	<u>800</u>

- 2) As of June 30, 2023 and 2022, 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 six months ended June 30, 2023 and 2022, 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. 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 June 30					
	2023			2022		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Short-term employee benefits						
Salaries and wages	\$ 116,410	\$ 39,040	\$ 155,450	\$ 120,102	\$ 45,799	\$ 165,901
Labor/health insurance	10,669	2,988	13,657	11,595	3,388	14,983
Pension	4,003	1,114	5,117	4,018	1,171	5,189
Other employee benefits	6,215	1,192	7,407	7,061	1,364	8,425
Depreciation	107,134	5,111	112,245	106,651	7,750	114,401
Amortization	1,199	504	1,703	1,025	350	1,375

	For the Six Months Ended June 30					
	2023			2022		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Short-term employee benefits						
Salaries and wages	\$ 202,336	\$ 67,873	\$ 270,209	\$ 238,172	\$ 82,245	\$ 320,417
Labor/health insurance	20,558	5,699	26,257	22,218	6,058	28,276
Pension	7,592	2,504	10,096	7,988	2,251	10,239
Other employee benefits	13,168	2,641	15,809	14,091	2,775	16,866
Depreciation	216,608	10,408	227,016	212,002	15,500	227,502
Amortization	2,345	1,007	3,352	2,156	728	2,884

The number of employees of the Group as of June 30, 2023 and 2022 was 886 and 962, 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 June 30, 2023 and 2022 and for the six months ended June 30, 2023 and 2022 are as follows:

	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2023	2022	2023	2022
<u>Accrual rate</u>				
Compensation of employees	2.5%	2.5%	2.5%	2.5%
Remuneration of directors	1%	1%	1%	1%
<u>Amount</u>				
Compensation of employees	<u>\$ 4,918</u>	<u>\$ 5,550</u>	<u>\$ 9,531</u>	<u>\$ 12,779</u>
Remuneration of directors	<u>\$ 1,971</u>	<u>\$ 2,218</u>	<u>\$ 3,812</u>	<u>\$ 5,111</u>

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 for the years ended December 31, 2022 and 2021, which were approved by the Company's board of directors and paid on February 23, 2023 and February 22, 2022, respectively, are as follows. The differences were adjusted to profit and loss for the years ended December 31, 2023 and 2022.

	For the Year Ended December 31			
	2022		2021	
	Cash	Shares	Cash	Shares
Compensation of employees				
Amounts approved in the board of directors' meeting	\$ 16,231	\$ -	\$ 36,309	\$ -
Actual amounts paid	16,211	-	36,303	-
Remuneration of directors				
Amounts approved in the board of directors' meeting	6,492	-	14,523	-
Actual amounts paid	6,492	-	14,523	-

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

21. 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 June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Current tax				
In respect of the current year	\$ 28,290	\$ 66,980	\$ 57,721	\$ 125,476
Income tax on unappropriated earnings	17,653	-	17,653	-
Adjustments for the prior years	<u>(3,837)</u>	<u>(20,614)</u>	<u>(3,947)</u>	<u>(20,614)</u>
Income tax expense recognized in profit or loss	<u>\$ 42,106</u>	<u>\$ 46,366</u>	<u>\$ 71,427</u>	<u>\$ 104,862</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.

22. EARNINGS PER SHARE

Earnings per share for the six months ended June 30, 2023 and 2022 are as follows:

	For the Six Months Ended June 30, 2023		
	Amount (In Thousands) After Income Tax	Number of Shares	Earnings Per Share (In Dollars) After Income Tax
Basic earnings per share			
Amount after income tax attributable to owners of the Company	\$ 297,955	171,200,000	<u>\$ 1.74</u>
Effect of potentially dilutive ordinary shares - employee share options	<u>-</u>	<u>347,773</u>	
Diluted earnings per share			
Amount after income tax attributable to owners of the Company and effect of potentially dilutive ordinary shares	<u>\$ 297,955</u>	<u>171,547,773</u>	<u>\$ 1.74</u>

For the Three Months Ended June 30, 2023			
	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	\$ 148,340	171,200,000	<u>\$ 0.87</u>
Effect of potentially dilutive ordinary shares - employee share options	<u>-</u>	<u>220,623</u>	
Diluted earnings per share			
Amount after income tax attributable to owners of the Company and effect of potentially dilutive ordinary shares	<u>\$ 148,340</u>	<u>171,420,623</u>	<u>\$ 0.87</u>

For the Six Months Ended June 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	\$ 397,551	171,200,000	<u>\$ 2.32</u>
Effect of potentially dilutive ordinary shares - employee share options	<u>-</u>	<u>529,489</u>	
Diluted earnings per share			
Amount after income tax attributable to owners of the Company and effect of potentially dilutive ordinary shares	<u>\$ 397,551</u>	<u>171,729,489</u>	<u>\$ 2.31</u>

For the Three Months Ended June 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	\$ 178,439	171,200,000	<u>\$ 1.04</u>
Effect of potentially dilutive ordinary shares - employee share options	<u>-</u>	<u>321,892</u>	
Diluted earnings per share			
Amount after income tax attributable to owners of the Company and effect of potentially dilutive ordinary shares	<u>\$ 178,439</u>	<u>171,521,892</u>	<u>\$ 1.04</u>

The Group may settle the compensation or bonuses paid to employees in cash or shares; therefore, the Group assumes that entire amount of the compensation or bonus will be settled in shares, and the resulting potential shares will be 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.

23. OPERATING REVENUE

Disaggregation of revenue based on customer segments by geographical region

Region	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Asia	\$ 882,598	\$ 980,987	\$ 1,669,385	\$ 2,060,270
America	53,151	133,036	114,642	260,387
Europe	30,370	58,139	61,765	124,856
Others	<u>-</u>	<u>305</u>	<u>-</u>	<u>360</u>
	<u>\$ 966,119</u>	<u>\$ 1,172,467</u>	<u>\$ 1,845,792</u>	<u>\$ 2,445,873</u>

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

24. 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.

25. 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 June 30, 2023, December 31, 2022 and June 30, 2022.

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

June 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 66,760	\$ -	\$ -	\$ 66,760
Mutual funds	<u>58,527</u>	<u>-</u>	<u>-</u>	<u>58,527</u>
	<u>\$ 125,287</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,287</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 1,213,673	\$ -	\$ -	\$ 1,213,673
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>350,851</u>	<u>350,851</u>
	<u>\$ 1,213,673</u>	<u>\$ -</u>	<u>\$ 350,851</u>	<u>\$ 1,564,524</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 250,030	\$ -	\$ -	\$ 250,030
Mutual funds	53,835	-	-	53,835
Government bonds	<u>-</u>	<u>44,549</u>	<u>-</u>	<u>44,549</u>
	<u>\$ 303,865</u>	<u>\$ 44,549</u>	<u>\$ -</u>	<u>\$ 348,414</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 1,118,683	\$ -	\$ -	\$ 1,118,683
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>241,168</u>	<u>241,168</u>
	<u>\$ 1,118,683</u>	<u>\$ -</u>	<u>\$ 241,168</u>	<u>\$ 1,359,851</u>

June 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 288,423	\$ -	\$ -	\$ 288,423
Mutual funds	35,995	-	-	35,995
Government bonds	<u>-</u>	<u>44,449</u>	<u>-</u>	<u>44,449</u>
	<u>\$ 324,418</u>	<u>\$ 44,449</u>	<u>\$ -</u>	<u>\$ 368,867</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 893,078	\$ -	\$ -	\$ 893,078
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>212,954</u>	<u>212,954</u>
	<u>\$ 893,078</u>	<u>\$ -</u>	<u>\$ 212,954</u>	<u>\$ 1,106,032</u>

There were no transfers between Levels 1 and 2 for the six months ended June 30, 2023 and 2022.

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 the price-book ratio would result in an increase in the fair value. An increase in the liquidity discount would result in a decrease in the fair value.

b. Categories of financial instruments

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 125,287	\$ 348,414	\$ 368,867
Financial assets at amortized cost (Note 1)	3,016,432	2,760,241	3,324,260
Financial assets at FVTOCI			
Investments in equity instruments	1,564,524	1,359,851	1,106,032
<u>Financial liabilities</u>			
Amortized cost (Note 2)	1,779,836	1,810,635	2,205,200

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, investments in debt instruments, 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 received.

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 29.

	USD Impact		RMB Impact	
	For the Six Months Ended		For the Six Months Ended	
	June 30		June 30	
	2023	2022	2023	2022
Profit or loss	\$ 49,388	\$ 42,321	\$ 13,611	\$ 12,848
Equity	1,831	1,904	17,367	19,241

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 an 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:

	June 30, 2023	December 31,	June 30, 2022
		2022	
Cash flow interest rate risk			
Financial assets	\$ 1,426,409	\$ 1,281,387	\$ 1,241,765
Financial liabilities	682,843	1,051,784	828,063

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 six months ended June 30, 2023 and 2022 would have resulted in cash outflows by \$7,436 thousand and \$4,137 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:

June 30, 2023

	Less than 1 Year	2-3 Years	3+ Years	Total
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 1,096,993	\$ -	\$ -	\$ 1,096,993
Variable interest rate liabilities	417,508	265,335	-	682,843
Lease liabilities	<u>32,105</u>	<u>59,129</u>	<u>77,533</u>	<u>168,767</u>
	<u>\$ 1,546,606</u>	<u>\$ 324,464</u>	<u>\$ 77,533</u>	<u>\$ 1,948,603</u>

December 31, 2022

	Less than 1 Year	2-3 Years	3+ Years	Total
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 758,851	\$ -	\$ -	\$ 758,851
Variable interest rate liabilities	579,591	472,193	-	1,051,784
Lease liabilities	<u>34,708</u>	<u>58,988</u>	<u>92,502</u>	<u>186,198</u>
	<u>\$ 1,373,150</u>	<u>\$ 531,181</u>	<u>\$ 92,502</u>	<u>\$ 1,996,833</u>

June 30, 2022

	Less than 1 Year	2-3 Years	3+ Years	Total
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 1,377,137	\$ -	\$ -	\$ 1,377,137
Variable interest rate liabilities	149,167	678,896	-	828,063
Lease liabilities	<u>35,784</u>	<u>64,036</u>	<u>108,206</u>	<u>208,026</u>
	<u>\$ 1,562,088</u>	<u>\$ 742,932</u>	<u>\$ 108,206</u>	<u>\$ 2,413,226</u>

26. 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 4. 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
Pan Overseas (Guangzhou) Electronic Co., Ltd.	Sister company
Walsin Technology Corporation (HK) Limited	Sister company
Kamaya Electric (M) Sdn. Bhd.	Sister company
Kamaya Electric Co., Ltd.	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
Tsai Yi Corporation	Associate
Joyin Co., Ltd.	Associate
Dongguan Joyin Electronics Co., Ltd	Associate
Hwa Bao Botanic Conservation Corp.	Other related party
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
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 June 30, 2023 and 2022 and for the six months ended June 30, 2023 and 2022 are disclosed as follows.

Related Party Category	Sales of Goods			
	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2023	2022	2023	2022
Parent company	\$ 204,738	\$ 260,911	\$ 425,491	\$ 561,976
Sister companies	75,103	44,310	139,705	100,819
Associates	-	-	18	-
Other related parties	<u>26</u>	<u>117</u>	<u>221</u>	<u>191</u>
	<u>\$ 279,867</u>	<u>\$ 305,338</u>	<u>\$ 565,435</u>	<u>\$ 662,986</u>

Related Party Category/Name	Purchases of Goods			
	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2023	2022	2023	2022
Parent company	\$ 66,711	\$ 112,475	\$ 130,645	\$ 264,342
Sister companies				
Dongguan Walsin Technology Electronics Co., Ltd.	80,948	69,804	139,620	171,270
Others	<u>7,890</u>	<u>13,106</u>	<u>18,944</u>	<u>21,777</u>
	<u>88,838</u>	<u>82,910</u>	<u>158,564</u>	<u>193,047</u>
Associates	<u>2,209</u>	<u>-</u>	<u>2,622</u>	<u>-</u>
	<u>\$ 157,758</u>	<u>\$ 195,385</u>	<u>\$ 291,831</u>	<u>\$ 457,389</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		For the Six Months Ended	
	June 30		June 30	
	2023	2022	2023	2022
Other related party				
Falcon Automation Equipment Corporation	<u>\$ -</u>	<u>\$ (2,716)</u>	<u>\$ -</u>	<u>\$ 24,934</u>

Related Party Category/Name	Disposal of Assets			
	For the Three Months Ended June 30, 2023		For the Six Months Ended June 30, 2023	
	Proceeds	Gain (Loss) on Disposal	Proceeds	Gain (Loss) on Disposal
Sister companies INPAQ Technology (China) Co., Ltd.	\$ 20,287	\$ -	\$ 20,287	\$ -

Lease arrangements as lessee

Item	Related Party Category	June 30, 2023	December 31, 2022	June 30, 2022
Lease liabilities	Parent company	\$ 26,043	\$ 29,194	\$ 32,330
	Sister companies	-	-	5,265
	Other related parties	10,050	10,815	11,576
		<u>\$ 36,093</u>	<u>\$ 40,009</u>	<u>\$ 49,171</u>

Item	Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2023	2022	2023	2022
Interest expense	Parent company	\$ 66	\$ 27	\$ 136	\$ 31
	Sister companies	-	14	-	28
	Other related parties	25	29	52	59
		<u>\$ 91</u>	<u>\$ 70</u>	<u>\$ 188</u>	<u>\$ 118</u>
Rental expense	Parent company	\$ 107	\$ 436	\$ 212	\$ 866
	Sister companies	61	61	122	122
		<u>\$ 168</u>	<u>\$ 497</u>	<u>\$ 334</u>	<u>\$ 988</u>

Lease agreements as lessor

Lease income was summarized as follows:

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Parent company	\$ 754	\$ 751	\$ 1,508	\$ 1,495
Sister companies	24	34	48	74
Associates	12	11	24	23
Other related parties	621	620	1,241	1,241
	<u>\$ 1,411</u>	<u>\$ 1,416</u>	<u>\$ 2,821</u>	<u>\$ 2,833</u>

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

Related Party Category/Name	Trade Receivables			Trade Payables		
	June 30, 2023	December 31, 2022	June 30, 2022	June 30, 2023	December 31, 2022	June 30, 2022
Parent company	\$ 198,506	\$ 156,226	\$ 194,392	\$ -	\$ -	\$ -
Sister companies						
Dongguan Walsin Technology Electronics Co., Ltd.	45,031	17,582	20,354	94,473	88,535	97,500
INPAQ Technology (Suzhou) Co., Ltd.	31,982	32,585	60,044	-	-	-
Others	9,626	6,076	7,161	9,739	13,204	19,319
	<u>86,639</u>	<u>56,243</u>	<u>87,559</u>	<u>104,212</u>	<u>101,739</u>	<u>116,819</u>
Associates	-	36	-	2,719	736	-
Other related parties	27	103	168	-	-	-
	<u>\$ 285,172</u>	<u>\$ 212,608</u>	<u>\$ 282,119</u>	<u>\$ 106,931</u>	<u>\$ 102,475</u>	<u>\$ 116,819</u>

Related Party Category	Other Receivables			Other Payables		
	June 30, 2023	December 31, 2022	June 30, 2022	June 30, 2023	December 31, 2022	June 30, 2022
Parent company	\$ -	\$ -	\$ -	\$ 3,966	\$ 3,962	\$ 2,039
Sister companies	140	104	97	722	719	1,681
Associates	930	537	752	31	-	-
Other related parties	20,390	632	11,843	14,359	11,825	17,418
	<u>\$ 21,460</u>	<u>\$ 1,273</u>	<u>\$ 12,692</u>	<u>\$ 19,078</u>	<u>\$ 16,506</u>	<u>\$ 21,138</u>

Other receivables are the uncollected amounts from the Group's lease income, dividend income, 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 June 30, 2023, December 31, 2022 and June 30, 2022.

Equity transactions

Refer to Notes 12, 13 and 28.

Remuneration of key management personnel

Remuneration of the board of directors and other key management personnel for the three months ended June 30, 2023 and 2022 and for the six months ended June 30, 2023 and 2022 were as follows:

	For the Three Months Ended		For the Six Months Ended	
	June 30	June 30	June 30	June 30
	2023	2022	2023	2022
Short-term employee benefits	\$ 4,916	\$ 3,153	\$ 14,704	\$ 39,244
Post-employment benefits	<u>54</u>	<u>54</u>	<u>108</u>	<u>108</u>
	<u>\$ 4,970</u>	<u>\$ 3,207</u>	<u>\$ 14,812</u>	<u>\$ 39,352</u>

27. 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:

	June 30, 2023	December 31, 2022	June 30, 2022
Acquisition of property, plant and equipment	<u>\$ 67,435</u>	<u>\$ 72,145</u>	<u>\$ 336,078</u>

b. Contingencies

As of June 30, 2023, outstanding letters of credit of the Group were summarized as follows:

	Unit: Dollars	
Currency	Carrying Amount	Deposits Paid
JPY	JPY 186,000,000	JPY -

As of December 31, 2022, outstanding letters of credit of the Group were summarized as follows:

	Unit: Dollars	
Currency	Carrying Amount	Deposits Paid
JPY	JPY 186,000,000	JPY -

As of June 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 -

28. OTHER ITEMS

a. 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 carrying amount 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 the former owner of the business combination under common control.

- b. The restated the consolidated balance sheet as of June 30, 2022 and the consolidated statement of comprehensive income for the six months ended June 30, 2022 have the following effects:

June 30, 2022

Item	Amount Before Retrospective Restatement	Effects	Amount After Retrospective Restatement
Current assets			
Cash and cash equivalents	\$ 1,912,787	\$ -	\$ 1,912,787
Financial assets at FVTPL - current	368,867	-	368,867
Financial assets at amortized cost - current	79,599	-	79,599
Notes receivable from unrelated parties	30,936	-	30,936
Trade receivables from unrelated parties	822,480	-	822,480
Trade receivables from related parties	282,119	-	282,119
Other receivables from unrelated parties	32,085	-	32,085
Other receivables from related parties	12,692	-	12,692
Inventories	785,598	-	785,598
Other current assets	<u>40,836</u>	-	<u>40,836</u>
Total current assets	<u>4,367,999</u>	-	<u>4,367,999</u>
Non-current assets			
Financial assets at FVTOCI - non-current	1,106,032	-	1,106,032
Financial assets at amortized cost - non-current	147,362	-	147,362
Investments accounted for using the equity method	832,253	357,938	1,190,191
Property, plant and equipment	2,149,558	-	2,149,558
Right-of-use assets	204,380	-	204,380
Computer software	9,276	-	9,276
Deferred tax assets	38,187	-	38,187
Other non-current assets	<u>9,607</u>	-	<u>9,607</u>
Total non-current assets	<u>4,496,655</u>	<u>357,938</u>	<u>4,854,593</u>
Total assets	<u>\$ 8,864,654</u>	<u>\$ 357,938</u>	<u>\$ 9,222,592</u>
Current liabilities			
Trade payables to unrelated parties	\$ 368,859	\$ -	\$ 368,859
Trade payables to related parties	116,819	-	116,819
Other payables to unrelated parties	846,768	-	846,768
Other payables to related parties	21,138	-	21,138
Current tax liabilities	111,530	-	111,530
Lease liabilities - current	35,784	-	35,784
Current portion of long-term borrowings	149,167	-	149,167
Other current liabilities	<u>12,266</u>	-	<u>12,266</u>
Total current liabilities	<u>1,662,331</u>	-	<u>1,662,331</u>

(Continued)

Item	Amount Before Retrospective Restatement	Effects	Amount After Retrospective Restatement
Non-current liabilities			
Long-term borrowings	\$ 678,896	\$ -	\$ 678,896
Deferred tax liabilities	165,307	-	165,307
Lease liabilities - non-current	172,242	-	172,242
Deferred revenue - non-current	6,938	-	6,938
Net defined benefit liabilities - non-current	34,424	-	34,424
Guarantee deposits received	<u>23,553</u>	<u>-</u>	<u>23,553</u>
Total non-current liabilities	<u>1,081,360</u>	<u>-</u>	<u>1,081,360</u>
Total liabilities	<u>2,743,691</u>	<u>-</u>	<u>2,743,691</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>498,708</u>	<u>-</u>	<u>498,708</u>
Retained earnings			
Legal reserve	624,924	-	624,924
Special reserve	67,764	-	67,764
Unappropriated earnings	<u>2,885,737</u>	<u>-</u>	<u>2,885,737</u>
Total retained earnings	<u>3,578,425</u>	<u>-</u>	<u>3,578,425</u>
Other equity			
Exchange differences on the translation of the financial statements of foreign operations	(64,329)	-	(64,329)
Unrealized valuation gain on at financial assets FVTOCI	<u>442,530</u>	<u>-</u>	<u>442,530</u>
Total other equity	<u>378,201</u>	<u>-</u>	<u>378,201</u>
Treasury shares	<u>(54,371)</u>	<u>-</u>	<u>(54,371)</u>
Total equity attributable to owners of the Company	<u>6,120,963</u>	<u>-</u>	<u>6,120,963</u>
Equity attributable to former owner of business combination under common control	<u>-</u>	<u>357,938</u>	<u>357,938</u>
Total equity	<u>6,120,963</u>	<u>357,938</u>	<u>6,478,901</u>
Total liabilities and equity	<u>\$ 8,864,654</u>	<u>\$ 357,938</u>	<u>\$ 9,222,592</u>

(Concluded)

For the six months ended June 30, 2022

Item	Amount Before Retrospective Restatement	Effects	Amount After Retrospective Restatement
Net sales	\$ 2,445,873	\$ -	\$ 2,445,873
Cost of sales	<u>1,783,423</u>	<u>-</u>	<u>1,783,423</u>
Gross profit	<u>662,450</u>	<u>-</u>	<u>662,450</u>
Operating expenses			
Selling and marketing expenses	72,359	-	72,359
General and administrative expenses	70,854	-	70,854
Research and development expenses	<u>43,117</u>	<u>-</u>	<u>43,117</u>
Total operating expenses	<u>186,330</u>	<u>-</u>	<u>186,330</u>
Profit from operations	<u>476,120</u>	<u>-</u>	<u>476,120</u>
Non-operating income and expenses			
Interest income	9,480	-	9,480
Dividend income	13,139	-	13,139
Other income	10,843	-	10,843
Gain on disposal of property, plant and equipment	340	-	340
Gain on disposal of investments	17,807	-	17,807
Foreign exchange gain	55,000	-	55,000
Gain on reversal of impairment loss	3,005	-	3,005
Interest expense	(5,688)	-	(5,688)
Miscellaneous expenses	(9,253)	-	(9,253)
Loss on valuation of financial assets at FVTPL	(68,948)	-	(68,948)
Share of profit (loss) of associates accounted for using the equity method	<u>568</u>	<u>(16,873)</u>	<u>(16,305)</u>
Total non-operating income and expenses	<u>26,293</u>	<u>(16,873)</u>	<u>9,420</u>
Profit before income tax	502,413	(16,873)	485,540
Income tax expense	<u>(104,862)</u>	<u>-</u>	<u>(104,862)</u>
Net profit for the period	<u>397,551</u>	<u>(16,873)</u>	<u>380,678</u>
Other comprehensive (loss) income			
Items that will not be reclassified subsequently to profit or loss:			
Unrealized valuation loss on investments in equity instruments at FVTOCI	(334,875)	-	(334,875)
Share of the other comprehensive loss of associates accounted for using the equity method	(24,634)	(397)	(25,031)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on the translation of the financial statements of foreign operations	51,110	-	51,110
Share of the other comprehensive income of associates accounted for using the equity method	<u>1,084</u>	<u>3,948</u>	<u>5,032</u>
Other comprehensive loss for the period	<u>(307,315)</u>	<u>3,551</u>	<u>(303,764)</u>
Total comprehensive income for the period	<u>\$ 90,236</u>	<u>\$ (13,322)</u>	<u>\$ 76,914</u>

29. 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:

	June 30, 2023			December 31, 2022			June 30, 2022		
	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	\$ 56,942	31.135	\$ 1,772,889	\$ 63,256	30.71	\$ 1,942,592	\$ 52,172	29.726	\$ 1,550,865
RMB	129,380	4.2877	554,743	111,615	4.4105	492,278	122,215	4.44	542,635
Non-monetary items									
Investments accounted for using the equity method									
USD	1,960	31.135	61,040	2,053	30.71	63,051	2,135	29.726	63,472
RMB	135,016	4.2877	578,908	135,493	4.4105	597,593	144,449	4.44	641,352
<u>Financial liabilities</u>									
Monetary items									
USD	4,067	31.135	126,626	2,464	30.71	75,669	4,715	29.726	140,158
RMB	23,569	4.2877	101,057	22,225	4.4105	98,023	25,759	4.44	114,370

For the three months ended June 30, 2023 and 2022 and for the six months ended June 30, 2023 and 2022, foreign exchange gains were \$17,943 thousand, \$23,797 thousand, \$10,256 thousand and \$55,000 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.

30. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

- 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 (None)
- 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 2)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 3)
- 9) Trading in derivative instruments (None)
- 10) Intercompany relationships and significant intercompany transactions (Table 4)

b. Investees and information about reinvestment

Information on investees (Table 5)

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 6)
- 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 6):
 - 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 7)

31. 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.
- 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 six months ended June 30, 2023 and 2022.

	For the Six Months Ended June 30, 2023			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Net sales	\$ 1,685,278	\$ 925,088	\$ (764,574)	\$ 1,845,792
Cost of sales	(1,345,400)	(881,943)	768,897	(1,458,446)
Unrealized gain on inter-affiliate accounts	<u>4,323</u>	<u>-</u>	<u>(4,323)</u>	<u>-</u>
Gross profit	344,201	43,145	-	387,346
Operating expenses	<u>(130,695)</u>	<u>(16,045)</u>	<u>-</u>	<u>(146,740)</u>
Profit from operations	213,506	27,100	-	240,606
Non-operating income and expenses	<u>157,507</u>	<u>5,947</u>	<u>(34,678)</u>	<u>128,776</u>
Profit before income tax	<u>\$ 371,013</u>	<u>\$ 33,047</u>	<u>\$ (34,678)</u>	<u>\$ 369,382</u>
	For the Six Months Ended June 30, 2022 (Restated)			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Net sales	\$ 2,227,299	\$ 781,045	\$ (562,471)	\$ 2,445,873
Cost of sales	(1,579,257)	(757,751)	553,585	(1,783,423)
Unrealized gain on inter-affiliate accounts	<u>(17,025)</u>	<u>-</u>	<u>17,025</u>	<u>-</u>
Gross profit	631,017	23,294	8,139	662,450
Operating expenses	<u>(163,355)</u>	<u>(14,975)</u>	<u>(8,000)</u>	<u>(186,330)</u>
Profit from operations	467,662	8,319	139	476,120
Non-operating income and expenses	<u>1,573</u>	<u>4,510</u>	<u>3,337</u>	<u>9,420</u>
Profit before income tax	<u>\$ 469,235</u>	<u>\$ 12,829</u>	<u>\$ 3,476</u>	<u>\$ 485,540</u>

b. Segment assets and liabilities

	June 30, 2023			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Cash and cash equivalents	\$ 898,427	\$ 410,669	\$ -	\$ 1,309,096
Notes and trade receivables	912,800	456,532	(445,446)	923,886
Inventories	650,185	104,188	(29,216)	725,157
Other current assets	<u>355,233</u>	<u>223,143</u>	<u>(81)</u>	<u>578,295</u>
Total current assets	<u>2,816,645</u>	<u>1,194,532</u>	<u>(474,743)</u>	<u>3,536,434</u>
Financial assets at FVTOCI - non-current	1,564,524	-	-	1,564,524
Financial assets at amortized cost	-	354,375	-	354,375
Investments accounted for using the equity method	2,167,878	639,948	(1,684,644)	1,123,182
Property, plant and equipment	1,900,233	62,605	-	1,962,838
Other non-current assets	<u>212,403</u>	<u>19,026</u>	<u>-</u>	<u>231,429</u>
Total assets	<u>\$ 8,661,683</u>	<u>\$ 2,270,486</u>	<u>\$ (2,159,387)</u>	<u>\$ 8,772,782</u>
	December 31, 2022			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Cash and cash equivalents	\$ 1,078,988	\$ 526,589	\$ -	\$ 1,605,577
Notes and trade receivables	755,135	295,089	(222,686)	827,538
Inventories	631,219	74,292	(33,539)	671,972
Other current assets	<u>339,127</u>	<u>159,125</u>	<u>-</u>	<u>498,252</u>
Total current assets	<u>2,804,469</u>	<u>1,055,095</u>	<u>(256,225)</u>	<u>3,603,339</u>
Financial assets at FVTOCI - non-current	1,359,851	-	-	1,359,851
Investments accounted for using the equity method	2,163,602	660,644	(1,673,489)	1,150,757
Financial assets at amortized cost	-	212,610	-	212,610
Property, plant and equipment	2,062,457	98,985	-	2,161,442
Other non-current assets	<u>224,626</u>	<u>20,129</u>	<u>-</u>	<u>244,755</u>
Total assets	<u>\$ 8,615,005</u>	<u>\$ 2,047,463</u>	<u>\$ (1,929,714)</u>	<u>\$ 8,732,754</u>
	June 30, 2022 (Restated)			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Cash and cash equivalents	\$ 1,306,639	\$ 606,148	\$ -	\$ 1,912,787
Notes and trade receivables	1,082,821	448,468	(395,754)	1,135,535
Inventories	740,598	82,341	(37,341)	785,598
Other current assets	<u>397,112</u>	<u>139,189</u>	<u>(2,222)</u>	<u>534,079</u>
Total current assets	<u>3,527,170</u>	<u>1,276,146</u>	<u>(435,317)</u>	<u>4,367,999</u>

(Continued)

	June 30, 2022 (Restated)			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Financial assets at FVTOCI - non-current	\$ 1,106,032	\$ -	\$ -	\$ 1,106,032
Investments accounted for using the equity method	2,173,184	704,824	(1,687,817)	1,190,191
Property, plant and equipment	2,035,529	114,029	-	2,149,558
Other non-current assets	<u>231,132</u>	<u>177,680</u>	<u>-</u>	<u>408,812</u>
Total assets	<u>\$ 9,073,047</u>	<u>\$ 2,272,679</u>	<u>\$ (2,123,134)</u>	<u>\$ 9,222,592</u> (Concluded)

	June 30, 2023			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Total current liabilities	\$ 1,479,462	\$ 547,800	\$ (445,527)	\$ 1,581,735
Guarantee deposits received	9,123	15,882	-	25,005
Deferred income tax liabilities	168,574	-	-	168,574
Other non-current liabilities	<u>413,630</u>	<u>-</u>	<u>-</u>	<u>413,630</u>
Total liabilities	<u>\$ 2,070,789</u>	<u>\$ 563,682</u>	<u>\$ (445,527)</u>	<u>\$ 2,188,944</u>

	December 31, 2022			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Total current liabilities	\$ 1,402,793	\$ 340,621	\$ (222,686)	\$ 1,520,728
Guarantee deposits received	16,554	6,221	-	22,775
Deferred income tax liabilities	158,439	-	-	158,439
Other non-current liabilities	<u>652,394</u>	<u>518</u>	<u>-</u>	<u>652,912</u>
Total liabilities	<u>\$ 2,230,180</u>	<u>\$ 347,360</u>	<u>\$ (222,686)</u>	<u>\$ 2,354,854</u>

	June 30, 2022			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Total current liabilities	\$ 1,522,024	\$ 538,283	\$ (397,976)	\$ 1,662,331
Guarantee deposits received	15,168	8,385	-	23,553
Deferred income tax liabilities	165,307	-	-	165,307
Other non-current liabilities	<u>884,958</u>	<u>7,542</u>	<u>-</u>	<u>892,500</u>
Total liabilities	<u>\$ 2,587,457</u>	<u>\$ 554,210</u>	<u>\$ (397,976)</u>	<u>\$ 2,743,691</u>

All intercompany transactions have eliminated upon consolidation.

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 2023

(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	June 30, 2023				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 FVTOCI - non-current	31,915,536	\$ 457,988	6.16	\$ 457,988	
	Walsin Lihwa Corporation	The chairman of the securities issuer is the second degree of kinship of the Company	"	10,989,605	450,574	0.29	450,574	
	HannStar Board Corporation	The chairman of the securities issuer is the same as the Company's	"	5,668,332	272,363	1.07	272,363	
	APAQ Technology Co., Ltd.	None	"	76,000	3,998	0.09	3,998	
	Fubon Financial Holding Co., Ltd. Preference Shares C	"	"	500,000	28,750	-	28,750	
	Chunghwa Telecom Co., Ltd.	"	Financial assets at FVTPL - current	400,000	46,600	0.01	46,600	
	Taiwan Semiconductor Manufacturing Co., Ltd.	"	"	35,000	20,160	-	20,160	
	<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 FVTOCI - non-current	3,500,000	164,541	0.72	164,541	
Hwa Bao Botanic Conservation Corp.	"	"	18,000,000	186,310	10.00	186,310		
PDC Electronics (Suzhou) Co., Ltd.	<u>Mutual funds</u>							
	GF Money Market Fund B	None	Financial assets at FVTPL - current	-	22,348	-	22,348	
	CCB Principal Profit Raise Money Market ETF Fund A	"	"	-	34,876	-	34,876	
Frontier Components Co., Limited	<u>Bonds</u>							
	TSMC Arizona Corp.	None	Financial assets at amortized cost - non-current	-	93,322	-	93,322	
	Amazon.com, Inc.	"	"	-	61,284	-	61,284	
	U.S. Treasuries	"	"	-	61,468	-	61,468	
	Commonwealth Bank of Australia	"	"	-	138,302	-	138,302	
	<u>Mutual funds</u>							
JPMorgan USD Liquid LVNAV Fund	"	Financial assets at FVTPL - current	-	1,303	-	1,303		

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 SIX MONTHS ENDED JUNE 30, 2023
(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	\$ (399,226)	(24)	No significant difference with third parties	-	-	Trade receivables \$ 255,389	28	
	Walsin Technology Corporation	Parent company	Sales	(425,491)	(25)	"	-	-	Trade receivables 198,506	22	
	Walsin Technology Corporation	Parent company	Purchases	130,645	18	"	-	-	Trade payables -	-	
Frontier Components Co., Limited	Prosperity Dielectrics Co., Ltd.	Parent company	Purchases	399,226	96	"	-	-	Trade payables (255,389)	(89)	
	Dongguan Frontier Electronics Co., Ltd.	100% owned subsidiary	Sales	(298,880)	(69)	"	-	-	Trade receivables 133,796	61	
Dongguan Frontier Electronics Co., Ltd.	Frontier Components Co., Limited	Parent company	Purchases	298,880	69	"	-	-	Trade payables (133,796)	(63)	
	Dongguan Walsin Technology Electronics Co., Ltd.	Sister company	Purchases	115,699	27	"	-	-	Trade payables (72,886)	(35)	

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 SIX MONTHS ENDED JUNE 30, 2023
(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 Walsin Technology Corporation	Indirectly owned second-tier subsidiary Parent company	Trade receivables	\$ 255,389	4.35	\$ -	-	\$ 42,604	\$ -
			Trade receivables	198,506	4.80	-	-	-	-
Frontier Components Co., Limited	Dongguan Frontier Electronics Co., Ltd.	100% owned subsidiary	Trade receivables	133,796	5.78	-	-	51,638	-

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(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	\$ 399,226	No significant difference with third parties	22	
				Trade receivables	255,389		"	3
				Trade payables	21,095		"	-
		Prosperity Frontier Electronics (Shenzhen) Co., Ltd.	Parent company to subsidiary	Purchases	40,624	"	2	
Trade payables	23,349			"	-			
1	Frontier Components Co., Limited	Dongguan Frontier Electronics Co., Ltd.	Subsidiary to subsidiary	Sales	298,880	"	16	
				Trade receivables	133,796	"	2	

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 June 30, 2023. For profit or loss items, cumulative amounts are shown as a percentage of consolidated total operating revenue for the six months ended June 30, 2023.

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 SIX MONTHS ENDED JUNE 30, 2023

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
Prosperity Dielectrics Co., Ltd.	PDC Prime Holdings Limited	Samoa	Investment holding	\$ 728,456	\$ 728,456	23,464,538	100	\$ 1,585,957	\$ 34,720	\$ 34,720	
	Frontec International Corporation	British Virgin Islands	Investment holding	327,140	327,140	8,221,615	100	127,903	(42)	(42)	
	Tsai Yi Corporation	Taiwan	Investment holding	51,928	51,928	4,934,995	3.36	85,819	(43,239)	(1,452)	
	Joyin Co., Ltd.	Taiwan	Manufacturing of electronic components	426,701	426,701	23,715,360	30.4	397,415	(17,647)	(7,951)	
PDC Prime Holdings Limited	PDC Success Investments Ltd.	Republic of Mauritius	Investment holding	387,932	387,932	12,009,000	100	719,027	1,542	1,542	
	Frontier Components Co., Limited	Hong Kong	International trade	280,246 (Note 2)	280,246 (Note 2)	70,036,752	100	799,274	33,145	33,145	
	Prosperity International Development (HK) Co., Ltd.	Hong Kong	Investment holding	74,755 (Note 2)	74,755 (Note 2)	2,401,000	100	61,065	(91)	(91)	
Prosperity International Development (HK) Co., Ltd.	GHPW Enterprise Corporation (HK) Limited	Hong Kong	Investment holding	74,724 (Note 2)	74,724 (Note 2)	2,400,000	10	61,040	(907)	(91)	

Note 1: For the information on investees in mainland China, refer to Table 6.

Note 2: The closing exchange rate as of June 30, 2023 was used to convert the foreign currencies into New Taiwan dollars. The closing exchange rate as of June 30, 2023 was US\$ to NT\$ = 1:31.135

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA OF PROSPERITY DIELECTRICS CO., LTD.
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1.

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2023 (Note 3)	Accumulated Repatriation of Investment Income as of June 30, 2023
					Outward	Inward						
PDC Electronics (Suzhou) Co., Ltd.	Manufacturing of ceramic components	\$ 373,620 (US\$ 12,000,000)	Note 1	\$ 373,620 (US\$ 12,000,000)	\$ -	\$ -	\$ 373,620 (US\$ 12,000,000)	\$ 1,537	100	\$ 1,537	\$ 718,738	\$ 161,289 (US\$ 5,180,313)
Dongguan Frontier Electronics Co., Ltd.	Selling of electronic components	189,924 (US\$ 6,100,000)	Note 1	189,924 (US\$ 6,100,000)	-	-	189,924 (US\$ 6,100,000)	7,567	100	7,567	242,575	102,097 (US\$ 3,279,186)
Chongqing Shuohong Investment Co., Ltd.	Investment management, investment consultation services	2,272,481 (RMB 530,000,000) (Note 4)	Note 1	-	-	-	-	(8,922)	20.43	(1,823)	539,696	-
Chongqing Xincheng Electronic Co., Ltd.	Selling of electronic components, real estate investment and leasing	232,059 (RMB 54,122,000) (Note 5)	Note 1	-	-	-	-	(2,174)	13.04	(283)	39,212	-
GHPW Enterprise Corporation (Chongqing) Limited	Business consultations, business management, consultation services and property management	747,240 (US\$ 24,000,000)	Note 1	74,724 (US\$ 2,400,000)	-	-	74,724 (US\$ 2,400,000)	(822)	10	(82)	60,974	-
Prosperity Frontier Electronics (Shenzhen) Co., Ltd.	Manufacturing and selling of chip components, power electronic devices and new electronic components	186,810 (US\$ 6,000,000)	Note 1	175,656 (US\$ 5,641,768)	-	-	175,656 (US\$ 5,641,768)	(45)	100	(45)	127,727	-
Prosperity Frontier Electronics (Guangzhou) Co., Ltd.	Manufacturing and selling of chip components, power electronic devices and new electronic components	- (Note 6)	Note 1	-	-	-	-	1	-	1	-	-

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 June 30, 2023 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 for the six months ended June 30, 2023) 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: Original investment of RMB1,000,000 was made using Dongguan Frontier Electronics Co., Ltd.'s own capital. Additionally, Prosperity Frontier Electronics (Guangzhou) Co., Ltd. was liquidated and remitted its share capital in June 2023.

(Continued)

2. Investment quota for mainland China:

Accumulated Outward Remittance for Investments in Mainland China as of June 30, 2023	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$ 914,640 (US\$ 29,376,590)	\$ 1,059,205 (US\$ 34,019,762)	(Note 2)

Note 1: The average exchange rates as of June 30, 2023 are as follows:

US\$ to NT\$ = 1:31.135
RMB to NT\$ = 1:4.2877

The average exchange rates for the six months ended June 30, 2023 are as follows:

US\$ to NT\$ = 1:30.550
RMB to NT\$ = 1:4.4114

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: Tables 2 and 4
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 7**PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS
JUNE 30, 2023**

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