

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

**Consolidated Financial Statements for the
Six Months Ended June 30, 2024 and 2023 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, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, 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 material accounting policy information (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

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.

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, 2024 and 2023, and its consolidated financial performance for the three months ended June 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2024 and 2023 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\$385,411 thousand and NT\$397,415 thousand as of June 30, 2024 and 2023, and the total share of gain (loss) of the associates accounted for using the equity method for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023 amounted to NT\$(5,726) thousand, NT\$3,583 thousand, NT\$(10,118) thousand and NT\$(7,951) thousand, respectively.

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 1, 2024

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, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 515,458	6	\$ 1,017,418	12	\$ 1,309,096	15
Financial assets at fair value through profit or loss - current (Note 7)	84,010	1	68,755	1	125,287	2
Financial assets at amortized cost - current (Note 8)	345,831	4	421,735	5	358,635	4
Notes receivable from unrelated parties (Note 9)	29,036	-	29,651	-	29,499	-
Trade receivables from unrelated parties (Note 9)	674,161	8	568,758	7	609,215	7
Trade receivables from related parties (Note 26)	275,094	3	270,150	3	285,172	3
Other receivables from unrelated parties	28,959	-	31,306	1	42,765	1
Other receivables from related parties (Note 26)	20,200	-	1,339	-	21,460	-
Inventories (Note 10)	688,113	8	600,952	7	725,157	8
Other current assets	21,745	-	20,858	-	30,148	-
Total current assets	2,682,607	30	3,030,922	36	3,536,434	40
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 12)	2,122,288	24	1,706,241	20	1,564,524	18
Financial assets at amortized cost - non-current (Note 8)	1,050,568	12	661,517	8	354,375	4
Investments accounted for using the equity method (Note 13)	1,292,345	14	1,137,842	13	1,123,182	13
Property, plant and equipment (Note 14)	1,601,524	18	1,769,437	21	1,962,838	22
Right-of-use assets (Note 15)	133,807	2	147,780	2	165,260	2
Computer software	5,142	-	6,151	-	7,175	-
Deferred tax assets (Note 4)	39,719	-	35,412	-	39,015	1
Other non-current assets	11,961	-	12,928	-	19,979	-
Total non-current assets	6,257,354	70	5,477,308	64	5,236,348	60
TOTAL	\$ 8,939,961	100	\$ 8,508,230	100	\$ 8,772,782	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 16)	\$ 180,333	2	\$ 63,411	1	\$ -	-
Trade payables to unrelated parties	308,817	4	236,217	3	342,987	4
Trade payables to related parties (Note 26)	129,576	2	92,463	1	106,931	1
Other payables to unrelated parties (Note 17)	553,892	6	384,560	4	602,992	7
Other payables to related parties (Note 26)	17,827	-	14,426	-	19,078	-
Current tax liabilities (Note 4)	20,717	-	58,228	1	37,232	1
Lease liabilities - current (Note 15)	29,088	-	28,781	-	32,105	-
Current portion of long-term borrowings (Note 16)	268,321	3	409,158	5	417,508	5
Other current liabilities	14,650	-	11,567	-	22,902	-
Total current liabilities	1,523,221	17	1,298,811	15	1,581,735	18
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 16)	-	-	66,408	1	265,335	3
Deferred tax liabilities (Note 4)	195,748	2	179,739	2	168,574	2
Lease liabilities - non-current (Note 15)	107,624	1	122,460	2	136,662	2
Deferred revenue - non-current (Note 17)	-	-	1,509	-	2,986	-
Net defined benefit liabilities - non-current (Note 4)	7,420	-	8,617	-	8,647	-
Guarantee deposits received	27,116	1	29,154	-	25,005	-
Total non-current liabilities	337,908	4	407,887	5	607,209	7
Total liabilities	1,861,129	21	1,706,698	20	2,188,944	25
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)						
Share capital						
Ordinary shares	1,720,000	19	1,720,000	20	1,720,000	20
Capital surplus	497,252	6	498,708	6	498,708	6
Retained earnings						
Legal reserve	732,642	8	687,087	8	687,087	8
Special reserve	67,764	1	67,764	1	67,764	1
Unappropriated earnings	3,238,018	36	3,179,413	37	3,039,175	34
Total retained earnings	4,038,424	45	3,934,264	46	3,794,026	43
Other equity						
Exchange differences on the translation of the financial statements of foreign operations	(8,311)	-	(66,031)	(1)	(84,189)	(1)
Unrealized gain on financial assets at fair value through other comprehensive income	885,838	10	768,962	9	709,664	8
Total other equity	877,527	10	702,931	8	625,475	7
Treasury shares	(54,371)	(1)	(54,371)	-	(54,371)	(1)
Total equity attributable to owners of the Company	7,078,832	79	6,801,532	80	6,583,838	75
Total equity	7,078,832	79	6,801,532	80	6,583,838	75
TOTAL	\$ 8,939,961	100	\$ 8,508,230	100	\$ 8,772,782	100

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

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			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
NET SALES (Note 20)	\$ 971,300	100	\$ 966,119	100	\$ 1,843,870	100	\$ 1,845,792	100
COST OF SALES (Note 10)	<u>761,382</u>	<u>78</u>	<u>752,336</u>	<u>78</u>	<u>1,440,064</u>	<u>78</u>	<u>1,458,446</u>	<u>79</u>
GROSS PROFIT	<u>209,918</u>	<u>22</u>	<u>213,783</u>	<u>22</u>	<u>403,806</u>	<u>22</u>	<u>387,346</u>	<u>21</u>
OPERATING EXPENSES								
Selling and marketing expenses	30,521	3	33,521	4	59,729	3	53,210	3
General and administrative expenses	31,631	4	32,433	3	57,367	3	54,038	3
Research and development expenses	<u>19,520</u>	<u>2</u>	<u>21,935</u>	<u>2</u>	<u>34,819</u>	<u>2</u>	<u>39,492</u>	<u>2</u>
Total operating expenses	<u>81,672</u>	<u>9</u>	<u>87,889</u>	<u>9</u>	<u>151,915</u>	<u>8</u>	<u>146,740</u>	<u>8</u>
PROFIT FROM OPERATIONS	<u>128,246</u>	<u>13</u>	<u>125,894</u>	<u>13</u>	<u>251,891</u>	<u>14</u>	<u>240,606</u>	<u>13</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	20,524	2	16,679	2	36,480	2	29,932	2
Dividend income	12,211	1	21,758	2	12,334	-	21,854	1
Other income	4,197	-	4,214	-	8,132	-	8,285	-
Gain on disposal of property, plant and equipment	97	-	-	-	509	-	-	-
Gain on disposal of investments	2,360	-	-	-	1,304	-	-	-
Foreign exchange gain	29,792	3	17,943	2	70,555	4	10,256	1
Gain on valuation of financial assets at FVTPL	5,690	1	37,754	4	15,255	1	108,071	6
Gain on reversal of impairment loss	-	-	1,502	-	-	-	3,005	-
Loss on lease modification	(509)	-	-	-	(509)	-	-	-
Share of profit of associates accounted for using the equity method (Note 13)	1,734	-	1,480	-	-	-	-	-
Interest expense	(2,041)	-	(3,655)	-	(4,273)	-	(7,981)	-
Miscellaneous expenses	(1,904)	-	(1,411)	-	(2,289)	-	(1,679)	-
Loss on disposal of investments	-	-	(31,712)	(3)	-	-	(31,367)	(2)
Share of loss of associates accounted for using the equity method (Note 13)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,782)</u>	<u>-</u>	<u>(11,600)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>72,151</u>	<u>7</u>	<u>64,552</u>	<u>7</u>	<u>133,716</u>	<u>7</u>	<u>128,776</u>	<u>7</u>
PROFIT BEFORE INCOME TAX	200,397	20	190,446	20	385,607	21	369,382	20
INCOME TAX EXPENSE (Notes 4 and 22)	<u>(42,226)</u>	<u>(4)</u>	<u>(42,106)</u>	<u>(5)</u>	<u>(81,462)</u>	<u>(4)</u>	<u>(71,427)</u>	<u>(4)</u>
NET PROFIT FOR THE PERIOD	<u>158,171</u>	<u>16</u>	<u>148,340</u>	<u>15</u>	<u>304,145</u>	<u>17</u>	<u>297,955</u>	<u>16</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			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 19)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized valuation gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ 31,648	3	\$ (10,969)	(1)	\$ 122,478	6	\$ 139,704	8
Share of the other comprehensive (loss) income of associates accounted for using the equity method	(3,206)	-	621	-	(5,602)	-	7,951	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on the translation of the financial statements of foreign operations	4,648	-	(26,217)	(3)	51,468	3	(27,846)	(2)
Share of the other comprehensive income (loss) of associates accounted for using the equity method	5,245	1	(4,994)	-	6,252	-	(5,426)	-
Other comprehensive income (loss) for the period	38,335	4	(41,559)	(4)	174,596	9	114,383	6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 196,506</u>	<u>20</u>	<u>\$ 106,781</u>	<u>11</u>	<u>\$ 478,741</u>	<u>26</u>	<u>\$ 412,338</u>	<u>22</u>
EARNINGS PER SHARE (Note 23)								
Basic	<u>\$ 0.92</u>		<u>\$ 0.87</u>		<u>\$ 1.78</u>		<u>\$ 1.74</u>	
Diluted	<u>\$ 0.92</u>		<u>\$ 0.87</u>		<u>\$ 1.77</u>		<u>\$ 1.74</u>	

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

(Concluded)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

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

	Share Capital		Capital Surplus	Retained Earnings			Other Equity (Note 19)		Treasury Shares	Total Equity
	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, 2023	172,000	\$ 1,720,000	\$ 498,708	\$ 624,924	\$ 67,764	\$ 2,992,429	\$ (50,917)	\$ 579,363	\$ (54,371)	\$ 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)
Net profit for the six months ended June 30, 2023	-	-	-	-	-	297,955	-	-	-	297,955
Other comprehensive (loss) income for the six months ended June 30, 2023	-	-	-	-	-	-	(33,272)	147,655	-	114,383
Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	-	297,955	(33,272)	147,655	-	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>
BALANCE AT JANUARY 1, 2024	172,000	\$ 1,720,000	\$ 498,708	\$ 687,087	\$ 67,764	\$ 3,179,413	\$ (66,031)	\$ 768,962	\$ (54,371)	\$ 6,801,532
Appropriation of 2023 earnings (Note 19)										
Legal reserve	-	-	-	45,555	-	(45,555)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(206,400)	-	-	-	(206,400)
Changes in equity of associates accounted for using the equity method	-	-	-	-	-	3,145	-	-	-	3,145
Difference between consideration and carrying amount of subsidiaries disposed	-	-	(1,456)	-	-	-	-	-	-	(1,456)
Net profit for the six months ended June 30, 2024	-	-	-	-	-	304,145	-	-	-	304,145
Other comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	-	57,720	116,876	-	174,596
Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	304,145	57,720	116,876	-	478,741
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	3,270	-	-	-	3,270
BALANCE AT JUNE 30, 2024	<u>172,000</u>	<u>\$ 1,720,000</u>	<u>\$ 497,252</u>	<u>\$ 732,642</u>	<u>\$ 67,764</u>	<u>\$ 3,238,018</u>	<u>\$ (8,311)</u>	<u>\$ 885,838</u>	<u>\$ (54,371)</u>	<u>\$ 7,078,832</u>

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

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 385,607	\$ 369,382
Adjustments for:		
Depreciation expense	206,316	227,016
Amortization expense	3,931	3,352
Net gain on valuation of financial assets at FVTPL	(15,255)	(108,071)
Interest expense	4,273	7,981
Interest income	(36,480)	(29,932)
Dividend income	(12,334)	(21,854)
Share of loss of associates accounted for using the equity method	3,782	11,600
Gain on disposal of property, plant and equipment	(509)	-
Loss on lease modification	509	-
(Gain) loss on disposal of investments	(1,304)	31,367
Impairment loss of non-financial assets	6,677	10,626
Changes in operating assets and liabilities		
Decrease in financial assets mandatorily classified as at fair value through profit or loss	904	299,698
Decrease in notes receivable from unrelated parties	615	1,818
Increase in trade receivables from unrelated parties	(105,403)	(25,602)
Increase in trade receivables from related parties	(4,944)	(72,564)
Decrease in other receivables from unrelated parties	12,567	16,127
Increase in other receivables from related parties	(17,522)	(18,781)
Increase in inventories	(93,838)	(66,816)
(Increase) decrease in other current assets	(887)	9,319
Increase in other non-current assets	(2,350)	(2,755)
Increase in trade payables to unrelated parties	72,600	132,068
Increase in trade payables to related parties	37,113	4,456
Decrease in other payables to unrelated parties	(12,066)	(4,389)
Increase in other payables to related parties	4,879	2,648
Increase in other current liabilities	3,083	4,456
Decrease in net defined benefit liabilities	(1,197)	(15,700)
Cash generated from operations	438,767	765,450
Interest received	38,594	22,496
Interest paid	(4,429)	(8,020)
Income tax paid	(107,271)	(175,587)
Net cash generated from operating activities	<u>365,661</u>	<u>604,339</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(293,569)	(100,000)
Disposal of financial assets at fair value through other comprehensive income	-	35,165

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PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2024	2023
Purchase of financial assets at amortized cost	\$ (389,051)	\$ (420,904)
Disposal of financial assets at amortized cost	75,904	-
Purchase of investments accounted for using the equity methods	(137,025)	-
Payments for property, plant and equipment	(51,994)	(39,351)
Proceeds from disposal of property, plant and equipment	616	20,287
Increase in refundable deposits	-	(2,069)
Decrease in refundable deposits	408	-
Disposal of interests of subsidiaries	<u>(1,456)</u>	<u>-</u>
Net cash used in investing activities	<u>(796,167)</u>	<u>(506,872)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	116,922	-
Repayments of short-term borrowings	-	(230,000)
Repayments of long-term borrowings	(208,754)	(140,837)
Proceeds from guaranteed deposits received	-	2,230
Refund of guaranteed deposits received	(2,038)	-
Repayments of the principal portion of lease liabilities	<u>(14,417)</u>	<u>(17,331)</u>
Net cash used in financing activities	<u>(108,287)</u>	<u>(385,938)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>36,833</u>	<u>(8,010)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(501,960)	(296,481)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,017,418</u>	<u>1,605,577</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 515,458</u>	<u>\$ 1,309,096</u>

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

(Concluded)

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (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, 2024 and 2023.

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 1, 2024.

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 “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the amendments to the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

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

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
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
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations 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 PDC and the entities controlled by PDC (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 PDC. 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 PDC 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 PDC.

See Note 11, Tables 5 and 6 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2023.

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.

The accounting judgments, estimates, and assumptions adopted by the Group are the same as those used in consolidated financial statements for the year ended December 31, 2023.

6. CASH AND CASH EQUIVALENTS

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand	\$ 422	\$ 382	\$ 454
Checking accounts and demand deposits	456,979	361,428	235,824
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	58,057	195,889	759,287
Repurchase agreements collateralized by bonds	<u>-</u>	<u>459,719</u>	<u>313,531</u>
	<u>\$ 515,458</u>	<u>\$ 1,017,418</u>	<u>\$ 1,309,096</u>

The market rate intervals of cash equivalents were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Time deposits with original maturities of 3 months or less	1.25%-1.45%	1.25%-5.3%	1%-5.25%
Repurchase agreements collateralized by bonds	-	1.02%-5.65%	0.93%-0.98%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2024	December 31, 2023	June 30, 2023
Financial assets mandatorily classified as at <u>FVTPL - current</u>			
Non-derivative financial assets			
Domestic listed shares	\$ 84,010	\$ 68,755	\$ 66,760
Mutual funds	<u>-</u>	<u>-</u>	<u>58,527</u>
	<u>\$ 84,010</u>	<u>\$ 68,755</u>	<u>\$ 125,287</u>

8. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ 137,679	\$ 360,664	\$ 353,591
Restricted deposits (b)	-	-	5,044
Current portion of bonds (c)	<u>208,152</u>	<u>61,071</u>	<u>-</u>
	<u>\$ 345,831</u>	<u>\$ 421,735</u>	<u>\$ 358,635</u>

(Continued)

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Non-current</u>			
Time deposits with original maturities of more than 1 year (a)	\$ 89,319	\$ 86,650	\$ -
Bonds (c)	<u>961,249</u>	<u>574,867</u>	<u>354,375</u>
	<u>\$ 1,050,568</u>	<u>\$ 661,517</u>	<u>\$ 354,375</u>
			(Concluded)

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

	June 30, 2024	December 31, 2023	June 30, 2023
Time deposits with original maturities of more than 3 months	1.6%-1.9%	1.55%-5.15%	1.55%-5.15%
Time deposits with original maturities of more than 1 year	3.1%	3.1%	-

- 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, 2024

Non-current

Period	Face Value	Range of Coupon Rate	Range of Effective Interest Rate
January to June 2024	US\$ 9,100,000	5.033%-6.45%	5.17%-5.8%
	NT\$ 200,000,000	3.7%	3.7%
February to December 2023	US\$ 13,556,000	4.902%-6.75%	4.4235%-5.5403%
June to December 2022	US\$ 7,000,000	3%-3.875%	3.7563%-4.3224%

December 31, 2023

Non-current

Period	Face Value	Range of Coupon Rate	Range of Effective Interest Rate
February to December 2023	US\$ 13,556,000	4.902%-6.75%	4.4235%-5.5403%
June to December 2022	US\$ 7,000,000	3%-3.875%	3.7563%-4.3224%

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%

9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Notes receivable from unrelated parties</u>			
At amortized cost			
Gross carrying amount	\$ 29,036	\$ 29,651	\$ 29,499
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 29,036</u>	<u>\$ 29,651</u>	<u>\$ 29,499</u>
<u>Trade receivables from unrelated parties</u>			
At amortized cost			
Gross carrying amount	\$ 698,029	\$ 591,564	\$ 632,014
Less: Allowance for impairment loss	<u>(23,868)</u>	<u>(22,806)</u>	<u>(22,799)</u>
	<u>\$ 674,161</u>	<u>\$ 568,758</u>	<u>\$ 609,215</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 past default experience with the customers and the customers' current financial positions:

June 30, 2024

	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	\$ 724,108	\$ 2,948	\$ -	\$ 9	\$ -	\$ -	\$ 727,065
Loss allowance (Lifetime ECLs)	<u>(23,719)</u>	<u>(147)</u>	<u>-</u>	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>(23,868)</u>
Amortized cost	<u>\$ 700,389</u>	<u>\$ 2,801</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 703,197</u>

December 31, 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	\$ 616,541	\$ 1,470	\$ 3,195	\$ 9	\$ -	\$ -	\$ 621,215
Loss allowance (Lifetime ECLs)	<u>(22,412)</u>	<u>(73)</u>	<u>(319)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>(22,806)</u>
Amortized cost	<u>\$ 594,129</u>	<u>\$ 1,397</u>	<u>\$ 2,876</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 598,409</u>

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>

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

	For the Six Months Ended June 30	
	2024	2023
Balance at January 1	\$ 22,806	\$ 22,828
Add: Transfers from delinquent receivables	1,001	-
Add: Foreign exchange differences	<u>61</u>	<u>(29)</u>
Balance at June 30	<u>\$ 23,868</u>	<u>\$ 22,799</u>

10. INVENTORIES

	June 30, 2024	December 31, 2023	June 30, 2023
Finished goods	\$ 202,940	\$ 164,910	\$ 241,048
Semi-finished goods	108,439	95,850	99,399
Work in progress	149,141	148,305	146,379
Raw materials	217,291	182,651	223,210
Inventory in transit	<u>10,302</u>	<u>9,236</u>	<u>15,121</u>
	<u>\$ 688,113</u>	<u>\$ 600,952</u>	<u>\$ 725,157</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	
	2024	2023	2024	2023
Cost of inventories sold	\$ 758,679	\$ 739,445	\$ 1,433,387	\$ 1,444,815
Inventory write-downs	<u>2,703</u>	<u>12,891</u>	<u>6,677</u>	<u>13,631</u>
	<u>\$ 761,382</u>	<u>\$ 752,336</u>	<u>\$ 1,440,064</u>	<u>\$ 1,458,446</u>

11. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		
			June 30, 2024	December 31, 2023	June 30, 2023
Prosperity Dielectrics Co., Ltd.	PDC Prime Holdings Limited	Investment holding	100	100	100
Prosperity Dielectrics Co., Ltd.	Frontec International Corporation	Investment holding	-	100	100
PDC Prime Holdings Limited	PDC Success Investments Ltd.	Investment holding	(Note 1) 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	- (Note 2)	100 (In liquidation)	100
Frontier Components Co., Limited	Dongguan Frontier Electronics Co., Ltd.	Selling of electronic components	100	100	100

Note 1: The Company's liquidation was finalized in May 2024.

Note 2: The Company's liquidation was finalized in April 2024.

The above-mentioned subsidiaries included in the consolidated financial statements have been reviewed for the six months ended June 30, 2024 and 2023 and have been audited for the year ended December 31, 2023.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Non-current</u>			
Domestic investments - listed shares	\$ 1,783,293	\$ 1,347,319	\$ 1,213,673
Domestic investments - unlisted shares	<u>338,995</u>	<u>358,922</u>	<u>350,851</u>
	<u>\$ 2,122,288</u>	<u>\$ 1,706,241</u>	<u>\$ 1,564,524</u>

Investments in Equity Instruments at FVTOCI

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Non-current</u>			
Domestic investments - listed shares			
Walton Advanced Engineering Inc.	\$ 660,652	\$ 486,712	\$ 457,988
Walsin Lihwa Corporation	390,131	424,748	450,574
HannStar Board Corporation	316,860	313,459	272,363
APAQ Technology Co., Ltd.	-	-	3,998
Fubon Financial Holding Co., Ltd.			
Preferred Shares C	26,800	27,500	28,750
Hotai Finance Co., Ltd.			
Preferred Shares B	95,600	94,900	-
TXC Corporation	293,250	-	-
Domestic investments - unlisted shares			
Chin-Xin Investment Co., Ltd.	149,949	169,273	164,541
Hwa Bao Botanic Conservation Corp.	<u>189,046</u>	<u>189,649</u>	<u>186,310</u>
	<u>\$ 2,122,288</u>	<u>\$ 1,706,241</u>	<u>\$ 1,564,524</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, PDC paid \$100,000 thousand to subscribed new shares totaled 10,000 thousand shares for cash issued by Hwa Bao Botanic Conservation Corp., and its interest in Hwa Bao Botanic Conservation Corp. is 10%.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investment in Associates

	June 30, 2024	December 31, 2023	June 30, 2023
Chongqing Shuohong Investment Co., Ltd.	\$ 560,301	\$ 543,432	\$ 539,696
Chongqing Xincheng Electronics Co., Ltd.	39,678	38,583	39,212
GHPW Enterprise Corporation (HK) Limited	62,901	61,246	61,040
Tsai Yi Corporation	104,351	101,672	85,819
Joyin Co., Ltd.	385,411	390,462	397,415
Hannstar Board New Energy Co., Ltd.	2,341	2,447	-
PSA Japan Investment G.K.	<u>137,362</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,292,345</u>	<u>\$ 1,137,842</u>	<u>\$ 1,123,182</u>

Share of profit (loss) of associates for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023 was summarized as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Chongqing Shuohong Investment Co., Ltd.	\$ 230	\$ (1,231)	\$ 175	\$ (1,823)
Chongqing Xincheng Electronics Co., Ltd.	15	(172)	(92)	(283)
GHPW Enterprise Corporation (HK) Limited	(225)	(45)	(413)	(91)
Tsai Yi Corporation	1,411	(655)	682	(1,452)
Joyin Co., Ltd.	(5,726)	3,583	(10,118)	(7,951)
Hannstar Board New Energy Co., Ltd.	(62)	-	(107)	-
PSA Japan Investment G.K.	<u>6,091</u>	<u>-</u>	<u>6,091</u>	<u>-</u>
	<u>\$ 1,734</u>	<u>\$ 1,480</u>	<u>\$ (3,782)</u>	<u>\$ (11,600)</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, 2024	December 31, 2023	June 30, 2023
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%
Hannstar Board New Energy Co., Ltd.	5%	5%	-
PSA Japan Investment G.K.	9%	-	-

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, Hannstar Board New Energy Co., Ltd., and PSA Japan Investment G.K., its parent company, Walsin Technology Corporation, exercises significant influence over those companies; therefore, they are accounted for using the equity method.

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.

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, 2024 and 2023 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, 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>
<u>Cost</u>							
Balance at January 1, 2024	\$ 451,115	\$ 1,109,697	\$ 2,844,163	\$ 52,043	\$ 227,324	\$ 70,779	\$ 4,755,121
Additions	-	-	3,766	-	119	21,785	25,670
Disposals	-	(245)	(9,793)	-	(1,903)	-	(11,941)
Effects of foreign currency exchange differences	-	5,951	4,523	21	923	-	11,418
Reclassifications	-	6,011	3,247	-	2,097	(5,344)	6,011
Balance at June 30, 2024	<u>\$ 451,115</u>	<u>\$ 1,121,414</u>	<u>\$ 2,845,906</u>	<u>\$ 52,064</u>	<u>\$ 228,560</u>	<u>\$ 87,220</u>	<u>\$ 4,786,279</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2024	\$ -	\$ 828,735	\$ 1,923,755	\$ 37,574	\$ 195,620	\$ -	\$ 2,985,684
Depreciation expenses	-	37,839	146,167	2,522	6,638	-	193,166
Disposals	-	(157)	(9,774)	-	(1,902)	-	(11,833)
Effects of foreign currency exchange differences	-	5,382	4,510	21	918	-	10,831
Reclassifications	-	6,011	-	-	896	-	6,907
Balance at June 30, 2024	<u>\$ -</u>	<u>\$ 877,810</u>	<u>\$ 2,064,658</u>	<u>\$ 40,117</u>	<u>\$ 202,170</u>	<u>\$ -</u>	<u>\$ 3,184,755</u>
Carrying amount at June 30, 2024	<u>\$ 451,115</u>	<u>\$ 243,604</u>	<u>\$ 781,248</u>	<u>\$ 11,947</u>	<u>\$ 26,390</u>	<u>\$ 87,220</u>	<u>\$ 1,601,524</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, 2024	December 31, 2023	June 30, 2023
<u>Carrying amount</u>			
Land	\$ 112,118	\$ 122,480	\$ 132,761
Buildings	20,832	24,475	31,612
Transportation equipment	<u>857</u>	<u>825</u>	<u>887</u>
	<u>\$ 133,807</u>	<u>\$ 147,780</u>	<u>\$ 165,260</u>
	For the Three Months Ended June 30		For the Six Months Ended June 30
	2024	2023	2024
			2023
Additions of right-of-use assets			
Transportation equipment	<u>\$ 412</u>	<u>\$ -</u>	<u>\$ 412</u>
Depreciation charge for right-of-use assets			
Land	\$ 4,387	\$ 5,182	\$ 9,570
Buildings	1,736	3,253	3,471
Transportation equipment	<u>53</u>	<u>57</u>	<u>109</u>
	<u>\$ 6,176</u>	<u>\$ 8,492</u>	<u>\$ 13,150</u>
			<u>\$ 17,007</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, 2024 and 2023.

b. Lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Carrying amount</u>			
Current	\$ 29,088	\$ 28,781	\$ 32,105
Non-current	\$ 107,624	\$ 122,460	\$ 136,662

The discount rates of lease liabilities were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Land	1%	1%	1%
Buildings	1%	1%	1%
Transportation equipment	1%	1%	1%

16. BORROWINGS

a. Short-term borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
Unsecured borrowings			
Line of credit borrowings	\$ 180,333	\$ 63,411	\$ -
Interest rate	1.83%-1.94%	1.65%	-

b. Long-term borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
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	\$ 49,927	\$ 99,731	\$ 149,412
2020.04.09-2024.12.15	24,964	49,865	74,706
2020.07.09-2025.06.15	39,892	59,765	79,588
2020.08.07-2025.06.15	49,866	74,706	99,486
2021.11.09-2025.06.15	29,919	44,824	59,691

(Continued)

	June 30, 2024	December 31, 2023	June 30, 2023
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	\$ 20,801	\$ 45,715	\$ 70,568
2020.04.29-2024.12.10	20,801	45,715	70,568
First Commercial Bank			
Line of credit borrowings: The loan limit is NT\$900,000 thousand. Repayment of the principal will be made in 24 equal monthly payments starting 2 years before the maturity date.			
Loan period			
2020.03.02-2025.03.02	31,608	55,245	78,824
Less: Current portion	(268,321)	(409,158)	(417,508)
Add: Current portion of deferred revenue	<u>543</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 66,408</u>	<u>\$ 265,335</u>
Interest rate	1.325%-1.475%	1.2%-1.35%	1.2%-1.35% (Concluded)

17. OTHER LIABILITIES

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Payables for accrued expense	\$ 304,000	\$ 306,568	\$ 334,085
Payables for purchases of equipment	26,458	51,304	40,748
Payables for annual leave	2,734	5,767	7,916
Payables for remuneration of directors and employee bonuses	13,800	20,421	13,343
Payables for dividends	<u>206,900</u>	<u>500</u>	<u>206,900</u>
	<u>\$ 553,892</u>	<u>\$ 384,560</u>	<u>\$ 602,992</u>
<u>Non-current</u>			
Deferred revenue			
Arising from government grants	<u>\$ -</u>	<u>\$ 1,509</u>	<u>\$ 2,986</u>

18. PROVISIONS

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Employee benefits (presented in other payables)	\$ 2,734	\$ 5,767	\$ 7,916

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

19. EQUITY

a. Share capital

Common shares

	June 30, 2024	December 31, 2023	June 30, 2023
Authorized shares (in thousands of shares)	220,000	220,000	220,000
Authorized capital	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000
Issued and paid shares (in thousands of shares)	172,000	172,000	172,000
Issued capital	\$ 1,720,000	\$ 1,720,000	\$ 1,720,000

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

b. Capital surplus

	June 30, 2024	December 31, 2023	June 30, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Issuance of common shares	\$ 402,192	\$ 402,192	\$ 402,192
Conversion of bonds	55,484	55,484	55,484
Treasury share transactions	28,889	28,889	28,889
Difference between consideration and carrying amount of subsidiaries acquired	-	1,456	1,456
<u>May only be used to offset a deficit</u>			
Share of changes in capital surplus of associates accounted for using the equity method	10,687	10,687	10,687
	\$ 497,252	\$ 498,708	\$ 498,708

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

c. Retained earnings and dividend policy

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

In addition to the distribution of dividends in accordance with the Articles, cash dividends are limited to 50% of the total dividends distributed. The remaining retained earnings shall be distributed in the form of share dividends. However, should the Company obtain sufficient funds to meet its capital requirements during the current year, the cash distribution ratio can be raised to 100%. The Group 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, 2023 and 2022 which were approved in the shareholders' meetings on June 14, 2024 and June 20, 2023, respectively, were as follows:

	For the Year Ended December 31	
	2023	2022
Legal reserve	\$ 45,555	\$ 62,163
Cash dividends	206,400	206,400
Cash dividends per share (NT\$)	1.2	1.2

d. Other equity items

The movements of other equity items were as follows:

	For the Six Months Ended June 30, 2024		
	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	\$ (66,031)	\$ 768,962	\$ 702,931
Exchange differences on the translation of the net assets of foreign operations	51,468	-	51,468
Unrealized valuation gain on investments in equity instruments at FVTOCI	-	122,478	122,478
Share from associates accounted for using the equity method	<u>6,252</u>	<u>(5,602)</u>	<u>(650)</u>
Balance at June 30	<u>\$ (8,311)</u>	<u>\$ 885,838</u>	<u>\$ 877,527</u>
	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>

e. Treasury shares

- 1) Movements of the treasury shares for the six months ended June 30, 2024 and 2023 were as follows:

Unit: In Thousands of Shares

For the Six Months Ended June 30, 2024				
Purpose of Buy-back	Number of Shares at January 1, 2024	Increase During the Period	Decrease During the Period	Number of Shares at June 30, 2024
Shares transferred to employees	<u>800</u>	<u>-</u>	<u>-</u>	<u>800</u>

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>

- 2) As of June 30, 2024 and 2023, the amount of the Company's treasury shares were both \$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 PDC and employees of the Company's subsidiaries in which PDC 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, 2024 and 2023, PDC held a maximum of 800 thousand shares as treasury shares, and the total amount of shares purchased was \$54,371 thousand, which complies with the provisions of the Securities and Exchange Act.
- 5) Treasury shares held by PDC shall not be pledged in accordance with the provisions of the Securities and Exchange Act and shall not enjoy shareholder rights.

20. OPERATING REVENUE

Disaggregation of revenue based on customer segments by geographical region

Region	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Asia	\$ 881,284	\$ 882,598	\$ 1,666,002	\$ 1,669,385
America	47,556	53,151	88,284	114,642
Europe	<u>42,460</u>	<u>30,370</u>	<u>89,584</u>	<u>61,765</u>
	<u>\$ 971,300</u>	<u>\$ 966,119</u>	<u>\$ 1,843,870</u>	<u>\$ 1,845,792</u>

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

21. EMPLOYEE BENEFITS EXPENSE, DEPRECIATION AND AMORTIZATION

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

	For the Three Months Ended June 30					
	2024			2023		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Short-term employee benefits						
Salaries and wages	\$ 99,885	\$ 43,720	\$ 143,605	\$ 116,410	\$ 39,040	\$ 155,450
Labor/health insurance	10,298	2,845	13,143	10,669	2,988	13,657
Pension	3,599	1,100	4,699	4,003	1,114	5,117
Other employee benefits	6,740	1,453	8,193	6,215	1,192	7,407
Depreciation	98,055	4,427	102,482	107,134	5,111	112,245
Amortization	1,213	754	1,967	1,199	504	1,703

	For the Six Months Ended June 30					
	2024			2023		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Short-term employee benefits						
Salaries and wages	\$ 182,234	\$ 70,788	\$ 253,022	\$ 202,336	\$ 67,873	\$ 270,209
Labor/health insurance	21,022	5,733	26,755	20,558	5,699	26,257
Pension	7,350	2,220	9,570	7,592	2,504	10,096
Other employee benefits	14,873	3,331	18,204	13,168	2,641	15,809
Depreciation	197,376	8,940	206,316	216,608	10,408	227,016
Amortization	2,425	1,506	3,931	2,345	1,007	3,352

The number of employees of the Group as of June 30, 2024 and 2023 was 731 and 886, 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, 2024 and 2023 and for the six months ended June 30, 2024 and 2023 are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
<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>\$ 5,049</u>	<u>\$ 4,918</u>	<u>\$ 9,832</u>	<u>\$ 9,531</u>
Remuneration of directors	<u>\$ 2,016</u>	<u>\$ 1,971</u>	<u>\$ 3,927</u>	<u>\$ 3,812</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, 2023 and 2022, which were approved by the Company's board of directors and paid on February 22, 2024 and February 23, 2023, respectively, are as follows. The differences were adjusted to profit and loss for the years ended December 31, 2024 and 2023, respectively.

	For the Year Ended December 31			
	2023		2022	
	Cash	Shares	Cash	Shares
Compensation of employees				
Amounts approved in the board of directors' meeting	\$ 14,586	\$ -	\$ 16,231	\$ -
Actual amounts paid	14,546	-	16,211	-
Remuneration of directors				
Amounts approved in the board of directors' meeting	5,835	-	6,492	-
Actual amounts paid	5,835	-	6,492	-

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

22. INCOME TAXES

a. Income tax expense recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Current tax				
In respect of the current year	\$ 33,528	\$ 28,290	\$ 72,170	\$ 57,721
Repatriation of earnings	9	-	603	-
Income tax on				
unappropriated earnings	10,180	17,653	10,180	17,653
In respect of the prior year	<u>(1,491)</u>	<u>(3,837)</u>	<u>(1,491)</u>	<u>(3,947)</u>
Income tax expense recognized in profit or loss	<u>\$ 42,226</u>	<u>\$ 42,106</u>	<u>\$ 81,462</u>	<u>\$ 71,427</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 2022 have been assessed by the tax authorities.

23. EARNINGS PER SHARE

Earnings per share for the six months ended June 30, 2024 and 2023 are as follows:

	For the Six Months Ended June 30, 2024		
	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	\$ 304,145	171,200,000	<u>\$ 1.78</u>
Effect of potentially dilutive common shares - employee share options	<u>-</u>	<u>284,108</u>	
Diluted earnings per share			
Amount after income tax attributable to owners of the Company and effect of potentially dilutive common shares	<u>\$ 304,145</u>	<u>171,484,108</u>	<u>\$ 1.77</u>

For the Three Months Ended June 30, 2024			
	Amount (In Thousands)	Number of Shares	Earnings Per Share (In Dollars)
	After Income Tax		After Income Tax
Basic earnings per share			
Amount after income tax attributable to owners of the Company	\$ 158,171	171,200,000	<u>\$ 0.92</u>
Effect of potentially dilutive common shares - employee share options	<u>-</u>	<u>179,093</u>	
Diluted earnings per share			
Amount after income tax attributable to owners of the Company and effect of potentially dilutive common shares	<u>\$ 158,171</u>	<u>171,379,093</u>	<u>\$ 0.92</u>
For the Six Months Ended June 30, 2023			
	Amount (In Thousands)	Number of Shares	Earnings Per Share (In Dollars)
	After Income Tax		After Income Tax
Basic earnings per share			
Amount after income tax attributable to owners of the Company	\$ 297,955	171,200,000	<u>\$ 1.74</u>
Effect of potentially dilutive common 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 common 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)	Number of Shares	Earnings Per Share (In Dollars)
	After Income Tax		After Income Tax
Basic earnings per share			
Amount after income tax attributable to owners of the Company	\$ 148,340	171,200,000	<u>\$ 0.87</u>
Effect of potentially dilutive common 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 common shares	<u>\$ 148,340</u>	<u>171,420,623</u>	<u>\$ 0.87</u>

The Group may settle the compensation or bonuses paid to employees in cash or shares; therefore, the Group assumes that the 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.

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, 2024 and 2023 and December 31, 2023.

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

June 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	<u>\$ 84,010</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,010</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 1,783,293	\$ -	\$ -	\$ 1,783,293
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>338,995</u>	<u>338,995</u>
	<u>\$ 1,783,293</u>	<u>\$ -</u>	<u>\$ 338,995</u>	<u>\$ 2,122,288</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	<u>\$ 68,755</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,755</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 1,347,319	\$ -	\$ -	\$ 1,347,319
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>358,922</u>	<u>358,922</u>
	<u>\$ 1,347,319</u>	<u>\$ -</u>	<u>\$ 358,922</u>	<u>\$ 1,706,241</u>

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>

There were no transfers between Levels 1 and 2 for the six months ended June 30, 2024 and 2023.

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

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

b. Categories of financial instruments

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 84,010	\$ 68,755	\$ 125,287
Financial assets at amortized cost (Note 1)	2,943,324	3,006,299	3,016,432
Financial assets at FVTOCI			
Investments in equity instruments	2,122,288	1,706,241	1,564,524
<u>Financial liabilities</u>			
Amortized cost (Note 2)	1,485,882	1,295,797	1,779,836

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

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term borrowings, trade payables (include related parties), other payables (include related parties), current portion of long-term borrowings, 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 amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the period are set out in Note 28.

	USD Impact		RMB Impact		JPY Impact	
	For the Six Months Ended June 30		For the Six Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023	2024	2023
Profit or loss	\$ 46,735	\$ 49,388	\$ 15,960	\$ 13,611	\$ -	\$ -
Equity	1,887	1,831	17,999	17,367	4,121	-

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

b) Interest rate risk

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

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

	June 30, 2024	December 31, 2023	June 30, 2023
Fair value interest rate risk			
Financial liabilities	\$ 136,712	\$ 151,241	\$ 168,767
Cash flow interest rate risk			
Financial assets	285,055	1,102,922	1,426,409
Financial liabilities	448,654	538,977	682,843

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, 2024 and 2023 would have resulted in cash (outflows) inflows by \$(818) thousand and \$3,718 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, 2024

	Less than 1 Year	2-3 Years	3+ Years	Total
Non-derivative financing liabilities				
Non-interest bearing	\$ 1,037,228	\$ -	\$ -	\$ 1,037,228
Variable interest rate liabilities	448,654	-	-	448,654
Lease liabilities	<u>29,088</u>	<u>59,346</u>	<u>48,278</u>	<u>136,712</u>
	<u>\$ 1,514,970</u>	<u>\$ 59,346</u>	<u>\$ 48,278</u>	<u>\$ 1,622,594</u>

December 31, 2023

	Less than 1 Year	2-3 Years	3+ Years	Total
<u>Non-derivative financing liabilities</u>				
Non-interest bearing	\$ 756,820	\$ -	\$ -	\$ 756,820
Variable interest rate liabilities	472,569	66,408	-	538,977
Lease liabilities	<u>28,781</u>	<u>59,932</u>	<u>62,528</u>	<u>151,241</u>
	<u>\$ 1,258,170</u>	<u>\$ 126,340</u>	<u>\$ 62,528</u>	<u>\$ 1,447,038</u>

June 30, 2023

	Less than 1 Year	2-3 Years	3+ Years	Total
<u>Non-derivative financing 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>

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 for the details. 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
PSA Japan Investment G.K.	Sister company

(Continued)

<u>Related Party Name</u>	<u>Related Party Category</u>
Tsai Yi Corporation	Associate
Joyin Co., Ltd.	Associate
Dongguan Joyin Electronics Co., Ltd	Associate
Hannstar Board New Energy Co., Ltd.	Associate
Walsin Lihwa Corporation	Other related party
Falcon Automation Equipment Corporation	Other related party
Info-Tek Corp.	Other related party
VVG Inc.	Other related party
Global Brands Manufacture Ltd.	Other related party
Hwa Bao Botanic Conservation Corp.	Other related party
PSA Charitable Foundation	Other related party
PSA WG Culture and Arts Foundation	Other related party
New Taipei City Private Career Social Welfare Charitable Foundation	Other related party
	(Concluded)

Transactions

Transactions between the Group and other related parties for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023 are disclosed as follows.

Related Party Category	Sales of Goods			
	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2024	2023	2024	2023
Parent company	\$ 213,155	\$ 204,738	\$ 414,341	\$ 425,491
Sister companies	81,145	75,103	129,734	139,705
Associates	-	-	-	18
Other related parties	<u>5</u>	<u>26</u>	<u>17</u>	<u>221</u>
	<u>\$ 294,305</u>	<u>\$ 279,867</u>	<u>\$ 544,092</u>	<u>\$ 565,435</u>

Related Party Category/Name	Purchases of Goods			
	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2024	2023	2024	2023
Parent company	\$ 78,595	\$ 66,711	\$ 146,524	\$ 130,645
Sister companies				
Dongguan Walsin Technology Electronics Co., Ltd.	100,573	80,948	191,083	139,620
Others	<u>7,440</u>	<u>7,890</u>	<u>12,136</u>	<u>18,944</u>
	<u>108,013</u>	<u>88,838</u>	<u>203,219</u>	<u>158,564</u>
Associates	<u>2,681</u>	<u>2,209</u>	<u>5,675</u>	<u>2,622</u>
	<u>\$ 189,289</u>	<u>\$ 157,758</u>	<u>\$ 355,418</u>	<u>\$ 291,831</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	Acquisition of Assets			
	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2024	2023	2024	2023
Other related party	\$ 510	\$ -	\$ 510	\$ -

Lease arrangements as lessee

Item	Related Party Category	June 30, 2024	December 31, 2023	June 30, 2023
Lease liabilities	Parent company	\$ 19,677	\$ 22,876	\$ 26,043
	Other related parties	<u>8,493</u>	<u>9,277</u>	<u>10,050</u>
		<u>\$ 28,170</u>	<u>\$ 32,153</u>	<u>\$ 36,093</u>

Item	Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2024	2023	2024	2023
Interest expense	Parent company	\$ 51	\$ 66	\$ 105	\$ 136
	Other related parties	<u>21</u>	<u>25</u>	<u>44</u>	<u>52</u>
		<u>\$ 72</u>	<u>\$ 91</u>	<u>\$ 149</u>	<u>\$ 188</u>
Rental expense	Parent company	\$ -	\$ 107	\$ -	\$ 212
	Sister companies	<u>63</u>	<u>61</u>	<u>124</u>	<u>122</u>
		<u>\$ 63</u>	<u>\$ 168</u>	<u>\$ 124</u>	<u>\$ 334</u>

Lease arrangements 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	
	2024	2023	2024	2023
Parent company	\$ 786	\$ 754	\$ 1,572	\$ 1,508
Sister companies	25	24	50	48
Associates	13	12	26	24
Other related parties	<u>650</u>	<u>621</u>	<u>1,300</u>	<u>1,241</u>
	<u>\$ 1,474</u>	<u>\$ 1,411</u>	<u>\$ 2,948</u>	<u>\$ 2,821</u>

For the six months ended June 30, 2024 and 2023, the remaining balances were as follows:

Related Party Category/Name	Trade Receivables			Trade Payables		
	June 30, 2024	December 31, 2023	June 30, 2023	June 30, 2024	December 31, 2023	June 30, 2023
Parent company	\$ 178,879	\$ 210,017	\$ 198,506	\$ -	\$ -	\$ -
Sister companies						
Dongguan Walsin Technology Electronics Co., Ltd.	72,228	27,709	45,031	116,228	84,266	94,473
INPAQ Technology (Suzhou) Co., Ltd.	18,409	21,830	31,982	9,041	-	-
Others	<u>5,565</u>	<u>10,592</u>	<u>9,626</u>	<u>448</u>	<u>6,014</u>	<u>9,739</u>
	<u>96,202</u>	<u>60,131</u>	<u>86,639</u>	<u>125,717</u>	<u>90,280</u>	<u>104,212</u>
Associates	-	-	-	3,859	2,183	2,719
Other related parties	<u>13</u>	<u>2</u>	<u>27</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 275,094</u>	<u>\$ 270,150</u>	<u>\$ 285,172</u>	<u>\$ 129,576</u>	<u>\$ 92,463</u>	<u>\$ 106,931</u>

Related Party Category	Other Receivables			Other Payables		
	June 30, 2024	December 31, 2023	June 30, 2023	June 30, 2024	December 31, 2023	June 30, 2023
Parent company	\$ 6,214	\$ -	\$ -	\$ -	\$ 90	\$ 3,966
Sister companies	991	121	140	515	511	722
Associates	793	1,054	930	860	107	31
Other related parties	<u>12,202</u>	<u>164</u>	<u>20,390</u>	<u>16,452</u>	<u>13,718</u>	<u>14,359</u>
	<u>\$ 20,200</u>	<u>\$ 1,339</u>	<u>\$ 21,460</u>	<u>\$ 17,827</u>	<u>\$ 14,426</u>	<u>\$ 19,078</u>

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

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

The remaining trade payables - related parties were not guaranteed and would be paid off by cash; trade receivables - related parties were also not guaranteed. There was no bad debt expense for trade receivables - related parties as of June 30, 2024, December 31, 2023 and June 30, 2023.

Equity transactions

Refer to Notes 12 and 13.

Remuneration of key management personnel

Remuneration of the board of directors and other key management personnel for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023 was as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 2,355	\$ 4,916	\$ 19,373	\$ 14,704
Post-employment benefits	<u>54</u>	<u>54</u>	<u>108</u>	<u>108</u>
	<u>\$ 2,409</u>	<u>\$ 4,970</u>	<u>\$ 19,481</u>	<u>\$ 14,812</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, 2024	December 31, 2023	June 30, 2023
Acquisition of property, plant and equipment	<u>\$ 122,879</u>	<u>\$ 109,625</u>	<u>\$ 67,435</u>

b. Contingencies

As of June 30, 2024 and December 31, 2023, the Group had no open and unused letters of credit.

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 -

28. 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, 2024			December 31, 2023			June 30, 2023		
	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	\$ 51,334	32.45	\$ 1,665,788	\$ 52,567	30.735	\$ 1,615,647	\$ 56,942	31.135	\$ 1,772,889
RMB	143,854	4.4658	642,423	149,098	4.3327	645,997	129,380	4.2877	554,743
Non-monetary items									
Investments accounted for using the equity method									
USD	1,938	32.45	62,901	1,993	30.735	61,246	1,960	31.135	61,040
RMB	134,350	4.4658	599,979	134,331	4.3327	582,015	135,016	4.2877	578,908
JPY	681,021	0.2017	137,362	-	-	-	-	-	-
<u>Financial liabilities</u>									
Monetary items									
USD	3,327	32.45	107,961	2,091	30.735	64,267	4,067	31.135	126,626
RMB	24,728	4.4658	110,430	19,735	4.3327	85,506	23,569	4.2877	101,057

For the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, foreign exchange gains were \$29,792 thousand, \$17,943 thousand, \$70,555 thousand and \$10,256 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.

29. 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)

30. 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, 2024 and 2023:

	For the Six Months Ended June 30, 2024			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Net sales	\$ 1,618,948	\$ 975,553	\$ (750,631)	\$ 1,843,870
Cost of sales	(1,260,249)	(934,486)	754,671	(1,440,064)
Unrealized gain on inter-affiliate accounts	<u>(1,016)</u>	<u>-</u>	<u>1,016</u>	<u>-</u>
Gross profit	357,683	41,067	5,056	403,806
Operating expenses	<u>(131,680)</u>	<u>(15,235)</u>	<u>(5,000)</u>	<u>(151,915)</u>
Profit from operations	226,003	25,832	56	251,891
Non-operating income and expenses	<u>153,280</u>	<u>19,472</u>	<u>(39,036)</u>	<u>133,716</u>
Profit before income tax	<u>\$ 379,283</u>	<u>\$ 45,304</u>	<u>\$ (38,980)</u>	<u>\$ 385,607</u>
	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>

b. Segment assets and liabilities

	June 30, 2024			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Cash and cash equivalents	\$ 242,830	\$ 272,628	\$ -	\$ 515,458
Notes and trade receivables	882,216	566,346	(470,271)	978,291
Inventories	642,798	74,959	(29,644)	688,113
Other current assets	<u>168,102</u>	<u>333,446</u>	<u>(803)</u>	<u>500,745</u>
Total current assets	<u>1,935,946</u>	<u>1,247,379</u>	<u>(500,718)</u>	<u>2,682,607</u>
Financial assets at FVTOCI - non-current	2,122,288	-	-	2,122,288
Financial assets at amortized cost	794,846	255,722	-	1,050,568
Investments accounted for using the equity method	2,167,557	800,242	(1,675,454)	1,292,345
Property, plant and equipment	1,585,952	15,572	-	1,601,524
Other non-current assets	<u>179,674</u>	<u>10,955</u>	<u>-</u>	<u>190,629</u>
Total assets	<u>\$ 8,786,263</u>	<u>\$ 2,329,870</u>	<u>\$ (2,176,172)</u>	<u>\$ 8,939,961</u>
	December 31, 2023			
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Cash and cash equivalents	\$ 596,011	\$ 421,407	\$ -	\$ 1,017,418
Notes and trade receivables	792,904	388,996	(313,341)	868,559
Inventories	564,042	65,538	(28,628)	600,952
Other current assets	<u>269,046</u>	<u>275,001</u>	<u>(54)</u>	<u>543,993</u>
Total current assets	<u>2,222,003</u>	<u>1,150,942</u>	<u>(342,023)</u>	<u>3,030,922</u>
Financial assets at FVTOCI - non-current	1,706,241	-	-	1,706,241
Investments accounted for using the equity method	2,209,373	643,261	(1,714,792)	1,137,842
Financial assets at amortized cost	281,297	380,220	-	661,517
Property, plant and equipment	1,750,930	18,507	-	1,769,437
Other non-current assets	<u>191,392</u>	<u>10,879</u>	<u>-</u>	<u>202,271</u>
Total assets	<u>\$ 8,361,236</u>	<u>\$ 2,203,809</u>	<u>\$ (2,056,815)</u>	<u>\$ 8,508,230</u>

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>
June 30, 2024				
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Total current liabilities	\$ 1,380,899	\$ 613,396	\$ (471,074)	\$ 1,523,221
Guarantee deposits received	8,486	18,630	-	27,116
Deferred income tax liabilities	195,748	-	-	195,748
Other non-current liabilities	<u>115,044</u>	<u>-</u>	<u>-</u>	<u>115,044</u>
Total liabilities	<u>\$ 1,700,177</u>	<u>\$ 632,026</u>	<u>\$ (471,074)</u>	<u>\$ 1,861,129</u>
December 31, 2023				
	Taiwan Segment	China Segment	Adjustments and Eliminations	Total
Total current liabilities	\$ 1,165,680	\$ 446,526	\$ (313,395)	\$ 1,298,811
Guarantee deposits received	8,285	20,869	-	29,154
Deferred income tax liabilities	179,739	-	-	179,739
Other non-current liabilities	<u>198,994</u>	<u>-</u>	<u>-</u>	<u>198,994</u>
Total liabilities	<u>\$ 1,552,698</u>	<u>\$ 467,395</u>	<u>\$ (313,395)</u>	<u>\$ 1,706,698</u>

	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>

All intercompany transactions had been eliminated upon consolidation.

TABLE 1

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2024
(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, 2024				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	\$ 660,652	6.16	\$ 660,652	
	Walsin Lihwa Corporation	The chairman of the securities issuer is the second degree of kinship of the Company	"	10,989,605	390,131	0.27	390,131	
	HannStar Board Corporation	The chairman of the securities issuer is the same as the Company's	"	5,668,332	316,860	1.07	316,860	
	Fubon Financial Holding Co., Ltd. Preference Shares C	None	"	500,000	26,800	-	26,800	
	Hotai Finance Co., Ltd. Preferred Shares B	"	"	1,000,000	95,600	0.15	95,600	
	TXC Corporation	"	"	2,550,000	293,250	0.82	293,250	
	Chunghwa Telecom Co., Ltd.	"	Financial assets at FVTPL - current	400,000	50,200	0.01	50,200	
	Taiwan Semiconductor Manufacturing Co., Ltd.	"	"	35,000	33,810	-	33,810	
	<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	149,949	0.72	149,949	
	Hwa Bao Botanic Conservation Corp.	"	"	18,000,000	189,046	10.00	189,046	
	<u>Bonds</u>							
	ANZ New Zealand International Ltd.	None	Financial assets at amortized cost - non-current	-	64,610	-	65,574	
	Sumitomo Mitsui Trust Bank, Limited	"	"	-	32,520	-	33,063	
	Norinchukin Bank	"	"	-	32,686	-	32,264	
	Credit Agricole S.A.	"	"	-	32,408	-	32,579	
	NBN Co Limited	"	"	-	66,137	-	66,860	
	Burlington Northern Santa Fe, LLC	"	"	-	34,679	-	35,004	
	Bristol-Myers Squibb Company	"	"	-	33,542	-	33,827	
	Macquarie Group Limited.	"	"	-	51,384	-	50,778	
	Banco Santander, S.A.	"	"	-	65,890	-	65,581	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Prosperity Dielectrics Co., Ltd.	The First Issue of 2024 for unsecured Cumulative Subordinated Corporate Bonds of Cathay Life Insurance Co., Ltd. Series A	"	"	-	\$ 200,000	-	\$ 199,980	
	The Second Issue of 2024 for US-dollar-denominated unsecured cumulative subordinated corporate Bonds of Cathay Life Insurance Co., Ltd	"	"	-	81,125	-	78,026	
	<u>Bonds</u> Hyundai Capital America	None	Financial assets at amortized cost - non-current	-	65,468	-	65,666	
	Volkswagen Group America Finance, LLC	"	"	-	34,397	-	34,189	
	<u>Bonds</u> TSMC Arizona Corp.	None	Financial assets at amortized cost - non-current	-	97,285	-	94,142	
Frontier Components Co., Limited	Amazon.com, Inc.	"	"	-	64,135	-	62,226	
	Westpac New Zealand Ltd.	"	"	-	4,983	-	5,018	
	Commonwealth Bank of Australia	"	Financial assets at amortized cost - current	-	143,252	-	142,423	
	U.S. Treasuries	"	"	-	64,900	-	64,768	

(Concluded)

TABLE 2

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, 2024
(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	\$ (417,880)	(26)	No significant difference with third parties	-	-	Trade receivables \$ 284,534	32	
	Walsin Technology Corporation	Parent company	Sales	(414,341)	(26)	"	-	-	Trade receivables 178,879	20	
Frontier Components Co., Limited	Prosperity Dielectrics Co., Ltd.	Parent company	Purchases	417,880	99	"	-	-	Trade payables (284,534)	(92)	
	Dongguan Frontier Electronics Co., Ltd.	100% owned subsidiary	Sales	(331,845)	(75)	"	-	-	Trade receivables 152,010	57	
Dongguan Frontier Electronics Co., Ltd.	Frontier Components Co., Limited	Parent company	Purchases	331,845	68	"	-	-	Trade payables (152,010)	(61)	
	Dongguan Walsin Technology Electronics Co., Ltd.	Sister company	Purchases	153,275	31	"	-	-	Trade payables (90,105)	(36)	

TABLE 3

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, 2024
(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 \$ 284,534	3.45	\$ -	-	\$ 59,635	\$ -
			Trade receivables 178,879	4.26	-	-	-	-
Frontier Components Co., Limited	Dongguan Frontier Electronics Co., Ltd.	100% owned subsidiary	Trade receivables 152,010	5.28	-	-	54,614	-

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(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	\$ 417,880	No significant difference with third parties	23
		Frontier Components Co., Limited	Parent company to subsidiary	Trade receivables	284,534	"	3
				Trade payables	33,728	"	-
1	Frontier Components Co., Limited	Dongguan Frontier Electronics Co., Ltd.	Subsidiary to subsidiary	Sales	331,845	"	18
				Trade receivables	152,010	"	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, 2024. For profit or loss items, cumulative amounts are shown as a percentage of consolidated total operating revenue for the six months ended June 30, 2024.

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

TABLE 5

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(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, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2024	December 31, 2023	Number of Shares	%	Carrying Amount			
Prosperity Dielectrics Co., Ltd.	PDC Prime Holdings Limited	Samoa	Investment holding	\$ 728,456	\$ 728,456	23,464,538	100	\$ 1,705,098	\$ 40,982	\$ 40,982	
	Frontec International Corporation	British Virgin Islands	Investment holding	-	325,684	-	-	-	(2,001)	(2,001)	
	Tsai Yi Corporation	Taiwan	Investment holding	51,928	51,928	4,934,995	3.36	104,351	21,129	682	
	Hannstar Board New Energy Co., Ltd.	Taiwan	Solar power generation	2,500	2,500	250,000	5	2,341	(2,136)	(107)	
	Joyin Co., Ltd.	Taiwan	Manufacturing of electronic components	426,701	426,701	23,715,360	30.4	385,411	(23,753)	(10,118)	
PDC Prime Holdings Limited	PDC Success Investments Ltd.	Republic of Mauritius	Investment holding	387,932	387,932	12,009,000	100	737,340	(6,113)	(6,113)	
	Frontier Components Co., Limited	Hong Kong	International trade	292,082	292,082	70,036,752	100	897,881	47,102	47,102	
	Prosperity International Development (HK) Co., Ltd.	Hong Kong	Investment holding	(Note 2) 77,912	(Note 2) 77,912	2,401,000	100	62,928	(413)	(413)	
Prosperity International Development (HK) Co., Ltd.	GHPW Enterprise Corporation (HK) Limited	Hong Kong	Investment holding	(Note 2) 77,880	(Note 2) 77,880	2,400,000	10	62,901	(4,133)	(413)	
Frontier Components Co., Limited	PSA Japan Investment G.K.	Japan	Investment company	(Note 2) 131,609	(Note 2) -	-	9	137,362	67,683	6,091	

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

Note 2: The closing exchange rate as of June 30, 2024 was used to convert the foreign currencies into New Taiwan dollars. The closing exchange rate as of June 30, 2024 were US\$ to NT\$ = 1:32.45 and JPY to NT\$ = 1:0.2017

Note 3: Frontec International Corporation was liquidated and remitted its share capital in May 2024.

PROSPERITY DIELECTRICS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA OF PROSPERITY DIELECTRICS CO., LTD.
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2024 (Note 3)	Accumulated Repatriation of Investment Income as of June 30, 2024
					Outward	Inward						
PDC Electronics (Suzhou) Co., Ltd.	Manufacturing of ceramic components	\$ 389,400 (US\$ 12,000,000)	Note 1	\$ 389,400 (US\$ 12,000,000)	\$ -	\$ -	\$ 389,400 (US\$ 12,000,000)	\$ (6,130)	100	\$ (6,130)	\$ 737,035	\$ 168,101 (US\$ 5,180,313)
Dongguan Frontier Electronics Co., Ltd.	Selling of electronic components	197,945 (US\$ 6,100,000)	Note 1	197,945 (US\$ 6,100,000)	-	-	197,945 (US\$ 6,100,000)	14,815	100	14,815	271,506	106,410 (US\$ 3,279,186)
Chongqing Shuohong Investment Co., Ltd.	Investment management, investment consultation services	2,366,874 (RMB 530,000,000) (Note 4)	Note 1	-	-	-	-	857	20.43	175	560,301	-
Chongqing Xincheng Electronic Co., Ltd.	Selling of electronic components, real estate investment and leasing	241,698 (RMB 54,122,000) (Note 5)	Note 1	-	-	-	-	(711)	13.04	(92)	39,678	-
GHPW Enterprise Corporation (Chongqing) Limited	Business consultations, business management, consultation services and property management	778,800 (US\$ 24,000,000)	Note 1	77,880 (US\$ 2,400,000)	-	-	77,880 (US\$ 2,400,000)	(4,119)	10	(412)	62,848	-
Prosperity Frontier Electronics (Shenzhen) Co., Ltd.	Manufacturing and selling of chip components, power electronic devices and new electronic components	(Note 6)	Note 1	183,075 (US\$ 5,641,768)	-	139,375 (US\$ 4,295,089)	43,700 (US\$ 1,346,679)	313	-	313	-	-

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, 2024 is used to convert the foreign currencies into New Taiwan dollars except for the investment gains and losses of the current period (converted at the average exchange rate of the six months ended June 30, 2024) 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: Prosperity Frontier Electronics (Shenzhen) Co., Ltd. was liquidated and remitted its share capital in April 2024.

2. Investment quota for mainland China:

Accumulated Outward Remittance for Investments in Mainland China as of June 30, 2024	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$ 813,895 (US\$ 25,081,502)	\$ 899,666 (US\$ 27,724,673)	(Note 2)

Note 1: The average exchange rates as of June 30, 2024 are as follows:

US\$ to NT\$ = 1:32.45
RMB to NT\$ = 1:4.4658

The average exchange rates for the six months ended June 30, 2024 are as follows:

US\$ to NT\$ = 1:31.901
RMB to NT\$ = 1:4.4899

(Continued)

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, 2024**

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