Stock Code: 2327

YAGEO Corporation

2022 Annual Report

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Notice to readers

This English-version annual report is a translation of the Chinese version. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail

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I. Letter to Shareholders

Dear Shareholders,

Although under the impacts of uncertainties such as the global pandemic, rising inflation, and international conflict, YAGEO's consolidated sales in 2022 once again surpassed NT$100 billion threshold with outstanding performance in gross margin, operating profit, net income, and earnings per share through, attributed to continuous optimization in product portfolio, further expansion in high-end segment, and implementation of global M&A strategies. In addition, YAGEO has integrated Chilisin Electronics, a major inductor maker, through share-swap transaction in 2022. In 1H23, YAGEO also completed the acquisition of Heraeus Nexensos, the high-end temperature sensor leader in Germany. In 2H23, it is expected to complete the acquisition of Telemecanique Sensors from Schneider Electric in France. YAGEO adheres to the corporate philosophy of "Rooted in Taiwan and deploying globally", and continues to deepen its development in the passive component industry and expand its global business scale. YAGEO has extended its product portfolio to circuit protection components, wireless components and sensors. After years of international acquisitions and internal product portfolio optimization, YAGEO has transformed to a premium solution provider with high design-in capability and extensive reach into those hard to penetrate segments and markets, and have a leading position in global competitive advantages in products, technology, talents and sales.

1. 2022 Financial Performance:
   2022 consolidated sales reported NT$ 121,087 million, down 0.9% compared to 2021 with gross margin of 38%. The operating income reached NT$ 28,988 million with 23.9% of operating profit margin. Net consolidated profits after tax attributable to parent company amounted to NT$ 22,730 million or earnings per share of NT$ 44.22.

2. 2022 Budget Execution Rate:
   Not applicable. YAGEO did not disclose financial projection for 2022.

3. Financial Ratio Analysis:

Financial Ratio		2022
Capital Structure	Debt Ratio (%)	56.15
	Long-term Funds to Fixed Asset (%)	304.44
Liquidity	Current Ratio (%)	117.69
Profitability indicator	Return on Asset (%)	9.11
	Return on Equity (%)	20.61
	Net Profit Margin (%)	18.80
	Earnings Per Share (NT$)	44.22

4. 2023 Business Plan:
   YAGEO will implement the following business development strategies in the hope of continuously creating value for its shareholders, customers and employees.
   (1) Effective expense control and inventory management: Control expenses according to the achievement of revenue targets, and achieve efficient inventory management through flexible procurement strategies and capacity planning.
   (2) Expand high-end markets and increase the proportion of premium products: Continue to optimize product mix and customer portfolio, enhance global strategic partnerships, and focus on future technology applications and expand market share of premium business in Europe, America and Japan.
   (3) Provide a professional platform for global talents: Attract and retain global talents, cultivate and build global human capital.
   (4) Strengthen post-acquisition management: Integrate acquired businesses into the

Group's operations smoothly, and continue to exert the benefits of mergers and acquisitions by optimizing functions such as organization, systems, procedures, production, sales, and back-end support.

YAGEO will continue to implement its transformation strategy, expand the proportion of premium business and global scale, and provide customers with global one-stop high-quality services through comprehensive product portfolios, focusing on high-end automotive, industrial, aerospace, smart healthcare, 5G/IoT segments to establish sustainable business strength and create higher value for our shareholders and the industry. I would like to thank our shareholders for your long-term and continuous support to Yageo, and wish you all good health and happiness.

Tie-Min Chen
Chairman

II.Company Profile

2.1 Date of Incorporation: September 09, 1987

2.2 Company History

The Company was formerly known as Taiwan Resistor Corporation, which mainly produced various types of precision resistors, such as carbon film resistor, metal film resistor, metal oxide film resistor, wire wound resistor, through hole resistor, chip resistor, network chip resistor and array chip resistor. All of the Company's products were distributed to overseas markets and major domestic manufacturers via former Yageo Corporation. In addition, former Yageo Corporation's product- metal rods is one of the raw materials for producing metal film resistors. Yageo Corporation and Taiwan Resistor Corporation officially merged on November 3rd, 1989 in seeking to achieve operational benefits by integrating the upstream, middle stream and downstream of the resistor industry. After the merger, Taiwan Resistor Corporation became extinct and Yageo Corporation is the surviving company. The history of Yageo Corporation is described in below:

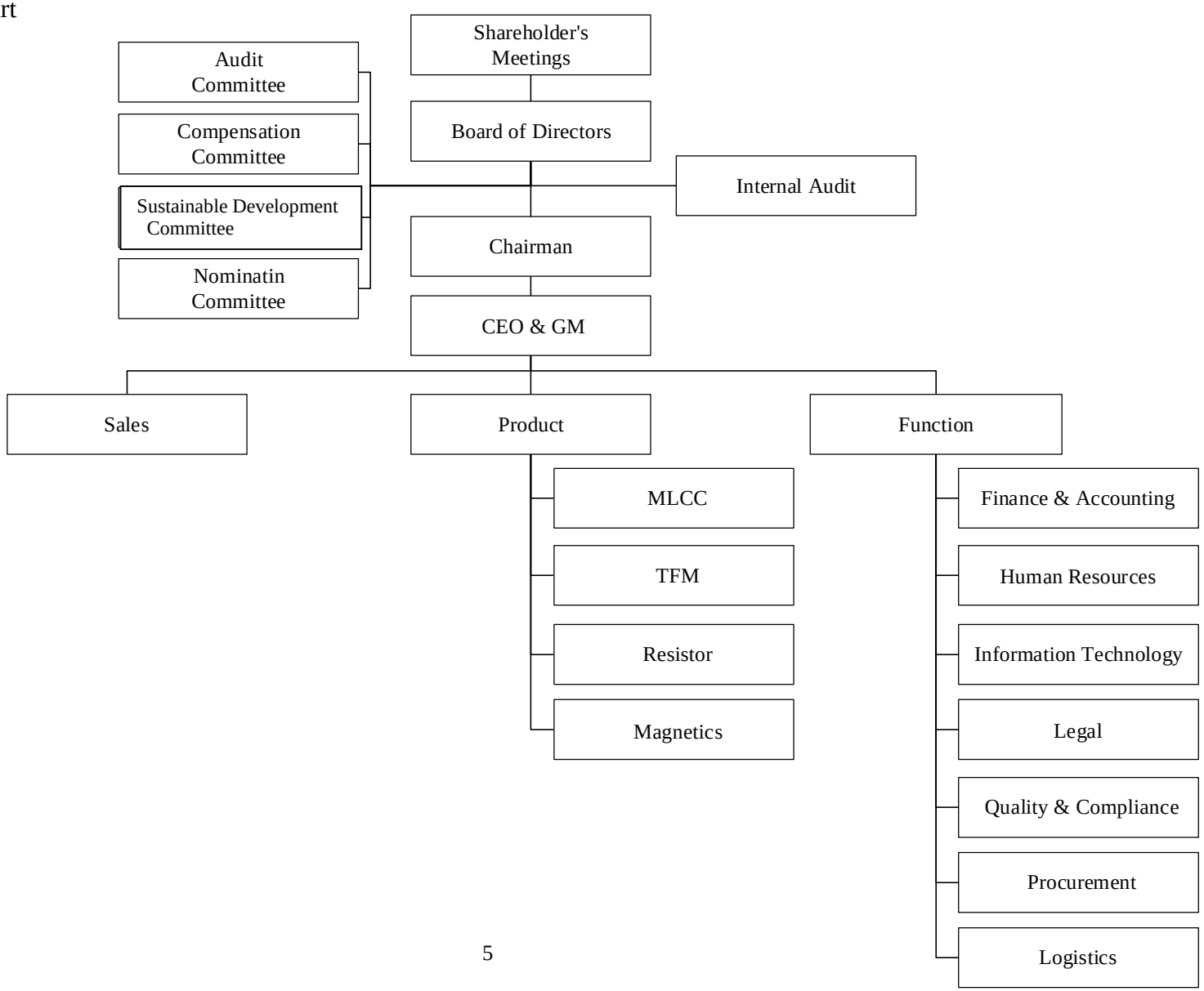
1987-Jul.	Former Yageo Corporation established, its main product include automatic welding machine and carbon film resistor.
1977-Sep.	Taiwan Resistor Corporation established.
1989-Nov.	Taiwan Resistor Corporation and Yageo Corporation merged.
1991-May.	Registered on Emerging Stock Board of Taipei Stock Exchange.
1992-Mar.	Listed in Taipei Stock Exchange.
1993-Jul.	The Ministry of Finance approved the listing of the Company's shares.
1993-Oct.	Listed in Taipei Stock Exchange.
1994-Dec.	Yageo Holding (Bermuda) Limited established, its main business is to conduct M&A activities in international electronic component vendors.
1995-Jul.	Awarded with "Top 10 Best Operating Enterprises in Taiwan" by AsiaMoney magazine.
1995-Nov.	Awarded with "The Best 100 Small Companies Outside U.S.A." by Forbes magazine.
1996-May.	Yageo Holding (Bermuda) Limited merged German resistor maker- Vitrohm group.
1997-May.	Kaohsiung plant II construction work completed and began production. The combined capacity of thick film resistor reached 5 billion pieces per month.
1998-Aug.	Yageo's Affiliate Company- Teapo Electronic Co., Ltd. was listed in Taiwan Stock Exchange.
2000-Jul.	Acquired MLCC and magnetic component business from Philips Electronics.
2001-Sep.	Yageo's Affiliate Company- Chilisin Electronics Corporation was listed in Taiwan Stock Exchange.
2003-May.	Merged Phycomp Taiwan Ltd.
2005-Jul.	Acquired Compostar Technology Co., Ltd. through equity swap.
2005-Aug.	Yageo's Affiliate Company- Global Testing Corporation was listed in Singapore Exchange.

2006-Jul.	Acquired Chipcera Technology Co., Ltd. through equity swap.
2007-Jun.	Yageo's US$230 million ECB offering approved, KKR brought in as a strategic investor.
2008-Jul.	Merged Kuo Chung Development Ltd.
2008- Oct.	Merged Compostar Technology Co., Ltd.
2008-Dec.	Merged Chipcera Technology Co., Ltd.
2013-Sep.	Capital reduction of NT$6,616 million in cash.
2014-Sep.	Capital reduction of NT$15,395 million in cash.
2016-Jul.	Capital reduction of NT$1,286 million in cash.
2017-Jun.	Capital reduction of NT$1,509 million in cash.
2018-Jun.	Acquired Brightking Holdings Limited.
2018-Dec.	Acquired Pulse Electronics Corporation.
2020-Apr.	To issue common shares for cash for sponsoring issuance of GDR. Total 12,680,000 units issued, equivalent to 63,400,000 common shares.
2020-Jun.	Acquired KEMET Corporation.
2021-Mar.	Awarded with "twA+" by international credit rating, which was the first passive component copmany in the world.
2022-Jan.	Acquired Chilisin Electronics Corp. through equity swap.
2022-Oct.	Capital reduction of NT$1,080 million in cash.
2022-Oct.	Announced to purchase 100% shares of Heraeus Holding's high-end temperature sensor subsidiary Heraeus Nexensos.
2022-Oct.	Announced to acquire Schneider Electric's industrial sensors business, Telemecanique Sensors.

III. Corporate Governance Report

3.1 Organizational

3.1.1 Organizational Chart



3.1.2 Functions and Responsibilities

Departments	Functions and Responsibilities
Sales	Sales, market development, customers service and account receivable collection.
Product	R&D, production, quality control and product strategy of company product.
MLCC	R&D, production, quality control and product strategy of MLCC Product.
TFM	R&D, production, quality control and product strategy of Tantalum, Film & Electrolytic and MSA Product.
Resistor	R&D, production, quality control and product strategy of Resistor Product.
Magnetics	R&D, production, quality control and product strategy of Magnetics Product.
Function	Finance & Accounting, Human Resources, Information Technology, Legal, Quality &Compliance, Procurement and Logistics.
Finance & Accounting	Treasury, credit control, accounting, tax and reporting.
Human Resources	Human resource management including recruitment, training and retention and organizational development. Establish performance management and compensation and benefit system to ensure harmonious employee and labor relations.
Information Technology	Integration of the Company’s business IT systems and data base, infrastructure development, communication services and assurance of IT security and service quality.
Legal	Corporate legal affairs including commercial transactions and contracts, legal consultation, patents and management of other intellectual properties, litigation, regulatory compliances, etc.
Quality & Compliance	Corporate Quality policy and strategy setting, quality system integration and improvement, quality assurance execution to ensure customer satisfaction.
Procurement	Raw material requirements planning and control, procurement planning, source development, cost reduction and supply chain management.
Logistics	Organize order fulfillment, warehousing, and distribution and transportation of goods.

3.2 Directors and Management Team

3.2.1 Directors

As of April 8, 2023

Title/Name	Nationality/ Place of Incorporation /Gender/Age	Date Elected	Term Expires	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Other heads, Directors or Supervisors as Spouse or kin within the second degree			Note
					Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman Tie-Min Chen	ROC Male 61-70	2021-7-7	2024-7-6	1993-6-3	37,000,660	7.42	29,589,231	7.00	-	-	-	-	BS in Engineering, National Cheng Kung University President of Yageo Corp	Strategic Investment Management Committee of YAGEO Corp. Chairman: TONG HSING ELECTRONIC INDUSTRIES ,LTD., Kuo-Shin Investment Ltd., CHILISIN ELECTRONICS CORP. & XSemi Corporation	-	-	-	-
Director Hsu Chang Investment Ltd Representatives Chin-San Wang	ROC Male 71-80	2021-7-7	2024-7-6	1998-6-2	4,019,156	0.80	3,199,050	0.75	-	-	-	-	NA	NA	-	-	-	-
		2021-7-7	2024-7-6	2012-6-13	-	-	-	-	-	-	-	-	EMBA, National Taiwan University BA in Accounting, Soochow University CEO and Vice Chairman of Deloitte & Touche	Independent Director: Taiwan Cement Corp., DA-CIN CONSTRUCTION CO.,LTD., TAIWAN NAVIGATION CO., LTD., Fulin Plastic Industry (Cayman) Holding Corp. Director: YFY Inc.	-	-	-	-
Director Hsu Chang Investment Ltd Representatives Tzong-Yeong Lin	ROC Male 71-80	2021-7-7	2024-7-6	1998-6-2	4,019,156	0.80	3,199,050	0.75	-	-	-	-	NA	NA	-	-	-	-
		2021-7-7	2024-7-6	2007-6-23	-	-	-	-	-	-	-	-	Master of Law, National Taiwan University Bachelor of Law, National Chung-Shing University President of Mega Financial Holding Company	Advisor of Chunlin Financial Consulting Co. Ltd.	-	-	-	-

Title/Name	Nationality/ Place of Incorporation /Gender/Age	Date Elected	Term Expires	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Other heads, Directors or Supervisors as Spouse or kin within the second degree			Note
					Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Director Hsu Chang Investment Ltd Representatives Shih-Chien Yang	ROC Male 71-80	2021-7-7	2024-7-6	1998-6-2	4,019,156	0.80	3,199,050	0.75	-	-	-	-	NA	NA	-	-	-	-
		2021-7-7	2024-7-6	2005-6-20	-	-	-	-	-	-	-	-	Ph.D., Electrical Engineering, Northwestern University MS, Electrical Engineering, Northwestern University Deputy Minister , Ministry of Economic Affairs	Chairman: Global Strategic Investment Management Inc. Independent Director: TOPKEY Corp., WUS Printed Circuit Co., Ltd.,	-	-	-	-
Director Hsu Chang Investment Ltd Representatives Deng -Rue Wang	ROC Male 61-70	2021-7-7	2024-7-6	1998-6-2	4,019,156	0.80	3,199,050	0.75	-	-	-	-	NA	NA	-	-	-	-
		2021-7-7	2024-7-6	2020-5-4	-	-	-	-	-	-	-	-	EMBA,National Taiwan University Master in Computer, University of Massachusetts Chief Operating Officer of Yageo Corp. Senior Vice President and CEO & CFO of Qsida Company	GM and CEO of YAGEO Corp. Chairman: CHILISIN ELECTRONICS CORP Director: Kuo-Shin Investment Ltd.	-	-	-	-
Director Hsu Chang Investment Ltd Representatives Ching-Chang Yen	ROC Male 71-80	2021-7-7	2024-7-6	1998-6-2	4,019,156	0.80	3,199,050	0.75	-	-	-	-	NA	NA	-	-	-	-
		2021-7-7	2024-7-6	2021-7-7	-	-	-	-	-	-	-	-	University of Wisconsin-Madison(SJD) Master of Laws, University of Michigan First Ambassador(WTO) Minister of Finance	Chair Professor of Law, Yan Jiagan Foundation of Soochow University	-	-	-	-

Title/Name	Nationality/ Place of Incorporation /Gender/Age	Date Elected	Term Expires	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Other heads, Directors or Supervisors as Spouse or kin within the second degree			Note
					Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Independent Director Cheng-Ling Lee	ROC Male 61-70	2021-7-7	2024-7-6	2012-6-13	-	-	-	-	-	-	-	-	BA in Accounting, Tam-Kang University Vice Chairman of Yageo Corp. Audit manager of Deloitte & Touche	None	-	-	-	-
Independent Director Hong-So Chen	ROC Male 61-70	2021-7-7	2024-7-6	2012-6-13	-	-	-	-	-	-	-	-	BS of Transportation Technology and Management, National Chiao Tung University President and CEO of Systex Corp General Manager, Yahoo! China & VP of Commercial Ops, Yahoo! North Asia	Chairman: GuoShi Partners. Independent Director: GIANT MANUFACTURING CO., LTD., CHINA CHEMICAL & momo.com Inc.	-	-	-	-
Independent Director Hsu Tun Son Lin	Dominica Male 51-60	2021-7-7	2024-7-6	2018-6-5	-	-	-	-	-	-	-	-	King's College London, University of London(PH.D) Master in Economics, London School of Economics and Political Science	Chairman and Managing Partner of Whitesun Equity Partners Ltd. Independent Director: UBRIGHT OPTRONICS Corp.	-	-	-	-

Note1: The above Directors also serve for the subsidiaries, please refer to the "Attachment III Each affiliated company's Director, Supervisor, and GM" of the Annual report

Note2: Chairman and GM (or someone with an equivalent job responsibility, i.e. the highest ranking manager of the company) are not (1) the same person, (2) in a marital relationship with each other, or (3) within one degree of consanguinity.

3.2.1.1 Major shareholders of the institutional shareholders

As of April 8, 2023

Name of Institutional Shareholders	Major Shareholders
Hsu Chang Investment Ltd	Hsu Tai Investment Ltd. (99.82%) Hwei-Jan Lee (0.17%) Shao-Chiao Chen (0.00%) Shao-Man Chen (0.00%) Tsuei-Lien Hseih (0.00%)

3.2.1.2 Major shareholders of the Company’s major institutional shareholders

As of April 8, 2023

Name of Institutional Shareholders	Major Shareholders
Hsu Tai Investment Ltd.	Hwei-Jan Lee (26.08%) XuTaiLong Enterprise Company Limited (24.63%) XuChangLong Enterprise Company Limited (24.63%) ShiHengLong Enterprise Company Limited (24.63%) Shao-Wei Chen (0.01%) Shao-Chiao Chen (0.01%) Shao-Man Chen (0.01%) Tie-Min Chen (0.00%) Tsuei-Lien Hseih (0.00%)

3.2.1.3 Professional qualifications and independence analysis of Directors

<table>
<tr><th>Criteria
Name</th><th>Professional qualifications</th><th>Independence</th><th>Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director</th></tr>
<tr><td>Tie-Min Chen</td><td rowspan="8">For Directors' professional qualification and experience, please refer to "3.2.1 Directors" of this Annual Report.

None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law. (Note 1)</td><td rowspan="6">Not Applicable</td><td>0</td></tr>
<tr><td>Chin-San Wang</td><td>4</td></tr>
<tr><td>Tzong-Yeong Lin</td><td>0</td></tr>
<tr><td>Shih-Chien Yang</td><td>2</td></tr>
<tr><td>Deng -Rue Wang</td><td>0</td></tr>
<tr><td>Ching-Chang Yen</td><td>0</td></tr>
<tr><td>Cheng-Ling Lee</td><td rowspan="3">All of the following situations apply to each and every of the Independent Directors:
1. Satisfy the requirements of Article 14-2 of "Securities and Exchange Act" and "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note 2) issued by Taiwan's Securities and Futures Bureau.
2. Independent Director (or nominee arrangement) as well as his/her spouse and minor children do not hold any TSMC shares.
3. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years, and the service provided is either an "audit service" or a "non-audit service".</td><td>0</td></tr>
<tr><td>Hong-So Chen</td><td>3</td></tr>
<tr><td>Hsu Tun Son Lin</td><td>1</td></tr>
</table>

Note 1: A person shall not act in a management capacity for a company, and if so appointed, must be immediately discharged if they have been:

1. Convicted for a violation of the Statutes for the Prevention of Organizational Crimes and: has not started serving the sentence; has not completed serving the sentence; or five years have not elapsed since completion of serving the sentence, expiration of probation, or pardon;
2. Convicted for fraud, breach of trust or misappropriation, with imprisonment for a term of more than one year, and: has not started serving the sentence; has not completed serving the sentence; or two years have not elapsed since completion of serving the sentence, expiration of probation, or pardon;
3. Convicted for violation of the Anti-Corruption Act, and: has not started serving the sentence; has not completed serving the sentence; or two years have not elapsed since completion of serving the sentence, expiration of probation, or pardon;
4. Adjudicated bankrupt or adjudicated to commence a liquidation process by a court, and having not been reinstated to his or her rights and privileges;
5. Sanctioned for unlawful use of credit instruments, and the term of such sanction has not expired yet;
6. if she/he does not have any or limited legal capacity; or

7. if she/he has been adjudicated to require legal guardianship and such requirement has not been revoked yet.

Note 2:

1. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

2. During the two years before being elected and during the term of office, meet any of the following situations:

(1) Not an employee of the company or any of its affiliates;

(2) Not a director or supervisor of the company or any of its affiliates;

(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders;

(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding (1) subparagraph, or of any of the above persons in the preceding subparagraphs (2) and (3);

(5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the company's board based on Article 27 of the Company Law;

(6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company;

(7) Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company's chairman or CEO (or equivalent);

(8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company; and

(9) Other than serving as a compensation committee member of the company, not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service which total compensation within the recent two years exceeds NT$500,000".

3.2.1.4 Board members Diversity and independence

A five-member board of directors has been determined to be the optimal size to facilitate our Company's scope of development, the holdings among the major shareholders and the practical needs. When determining the portfolio of the comprising members, considerations are given to the Company's operation type and development requirement that call for diversification, which, preferably, should include but not limited to standards that satisfy two areas: 1, basic criteria and values: gender, age, nationality and culture; and 2, professional knowledge and skill: professional background (such as legal, accounting, industry, finance, marketing or technology), professional skills and industry credentials. The members of the board should all possess the knowledge, skills, and quality necessary for performing their offices. To achieve the goals of corporate governance, the board as an entirety shall possess the following capabilities: 1. operational judgment; 2, accounting and financial analysis; 3, administration and management; 4. crisis management; 5 industry knowledge; 6, international market perspective; and 7, leadership; and 8, decision-making.

Our Company's Articles of Association require the establishment of an independent director, who must possess professional knowledge and remain independent when performing duties without direct or indirect stake in our Company. When our Company and its affiliated company and other company and its affiliated company mutually nominate a director, supervisor or manager of the opposite party as a candidate for the said independent director, our Company shall disclose the said employment at the time of receiving the said nomination and explain the nominee's competency as an independent director. The votes of the elected independent director shall be disclosed. The abovementioned term of an affiliated company applies to the subsidiaries of our Company. An independent director during the term of the office may not transfer

and assume the office of a non-independent director. The professional competency, shares holding, concurrent position restriction, validity of independence, method of nomination and other legal compliance matters concerning an independent director shall be governed by the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and the regulations stipulated by the Taiwan Stock Exchange Corporation.

Our Company currently has 9 directors, including 3 independent directors; all possess the knowledge, skills, decision-making and managerial capabilities required for their office performance. Our Company will continue to arrange diversified advanced programs for the directors to enhance their decision-making quality and supervisory performance, and eventually strengthen the functional competency of the board.

丨The situation of Directors implementing the Board diversity policy：

Title		Chairman	Director					Independent Director		
Name		Tie-Min Chen	Chin-San. Wang	Tzong-Yeong Lin	Shih-Chien Yang	Deng-Rue Wang	Ching-Chang Yen	Cheng-Ling Lee	Hong-So Chen	Hsu Tun Son Lin
Basic conditions and qualifications	Gender	Male	Male	Male	Male	Male	Male	Male	Male	Male
	Age	61~70	71~80	71~80	71~80	61~70	71~80	61~70	61~70	51~60
	Nationality	ROC	ROC	ROC	ROC	ROC	ROC	ROC	ROC	Dominica
	Employee or manager of the Company	**P**				**P**				
Professional qualifications and experience	Industry	**P**	**P**	**P**	**P**	**P**	**P**	**P**	**P**	**P**
	Academic						**P**			
	Law			**P**			**P**			
	Accounting & Finance	**P**	**P**	**P**	**P**	**P**	**P**	**P**	**P**	**P**
Capability	Operational Judgment	**P**	**P**	**P**	**P**	**P**	**P**	**P**	**P**	**P**
	Accounting & Finance Analyzing	**P**	**P**	**P**	**P**	**P**	**P**	**P**	**P**	**P**
	Business Operation Management	**P**	**P**	**P**	**P**	**P**	**P**	**P**	**P**	**P**
	Risk Management	**P**	**P**	**P**	**P**	**P**	**P**	**P**	**P**	**P**
	Industry Knowledge	**P**	**P**	**P**	**P**	**P**	**P**	**P**	**P**	**P**
	Global Market Observation	**P**	**P**	**P**	**P**	**P**	**P**	**P**	**P**	**P**
	Leadership	**P**	**P**	**P**	**P**	**P**	**P**	**P**	**P**	**P**
	Decision Making	**P**	**P**	**P**	**P**	**P**	**P**	**P**	**P**	**P**

Ⅰ Continuing Education/Training of Directors in 2022：

Name	Date	Host by	Training Title	Duration
Shih-Chien Yang	11/10	Accounting Research and Development Foundation	Corporate Governance and Securities Regulation	3.0
	11/10	Accounting Research and Development Foundation	Matters needing attention in securities transactions of company insiders	3.0
Cheng-Ling Lee	11/10	Accounting Research and Development Foundation	Corporate Governance and Securities Regulation	3.0
	11/10	Accounting Research and Development Foundation	Matters needing attention in securities transactions of company insiders	3.0
Deng-Rue Wang	11/10	Accounting Research and Development Foundation	Corporate Governance and Securities Regulation	3.0
	11/10	Accounting Research and Development Foundation	Matters needing attention in securities transactions of company insiders	3.0
Hsu Tun Son Lin	11/10	Accounting Research and Development Foundation	Corporate Governance and Securities Regulation	3.0
	11/10	Accounting Research and Development Foundation	Matters needing attention in securities transactions of company insiders	3.0
	10/12	Securities and Futures Institute	2022 Insider Equity Transaction Legal Compliance Publicity Explanation Session	3.0
Tie-Min Chen	11/10	Accounting Research and Development Foundation	Matters needing attention in securities transactions of company insiders	3.0
	11/10	Accounting Research and Development Foundation	Corporate Governance and Securities Regulation	3.0
Hong-So Chen	11/10	Accounting Research and Development Foundation	Matters needing attention in securities transactions of company insiders	3.0
	11/10	Accounting Research and Development Foundation	Corporate Governance and Securities Regulation	3.0
	11/09	Taiwan Corporate Governance Association	Digital transformation and the strategic use of artificial intelligence	3.0
	09/07	Taiwan Corporate Governance Association	Digital technology development and application trends	3.0
	06/22	Taiwan Academy of Banking and Finance	Discussion on Taiwanese Businessmen's Management and M&A Strategies from the Perspective of Global Political and Economic Situation	3.0
	05/12	Taiwan Stock Exchange Corporation, Alliance Advisors, Taiwan Corporate Governance Association	International Double Summit Online Forum	2.0
	05/11	Corporation Operation and Sustainable Development Association	Corporate Governance and Corporate Sustainability Seminar No. 19	3.0
Chin-San. Wang	11/10	Accounting Research and Development Foundation	Matters needing attention in securities transactions of company insiders	3.0

Name	Date	Host by	Training Title	Duration
	11/10	Accounting Research and Development Foundation	Corporate Governance and Securities Regulation	3.0
	09/28	Taiwan Institute for Sustainable Energy	Corporate net zero sustainable planning and outlook (water resources, carbon rights, energy)	6.0
	05/04	Accounting Research and Development Foundation	ESG and TCFD Practice Analysis of Construction Industry	3.0
Shih-Chien Yang	11/10	Accounting Research and Development Foundation	Matters needing attention in securities transactions of company insiders	3.0
	11/10	Accounting Research and Development Foundation	Corporate Governance and Securities Regulation	3.0
Tzong-Yeong Lin	11/10	Accounting Research and Development Foundation	Matters needing attention in securities transactions of company insiders	3.0
	11/10	Accounting Research and Development Foundation	Corporate Governance and Securities Regulation	3.0

3.2.2 Major Managers

As of April 8, 2023

Title/Name	Nationality/ Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
			Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Chairman and Strategic Investment Management Tie-Min Chen	ROC Male	1993-6-3	29,589,231	7.00	0	0	0	0	Please refer to the “3.2.1 Directors Experience” of the Annual report	Note 1	-	-	-
CEO and GM Deng-Rue Wang	ROC Male	2020-5-4	0	0	0	0	0	0	Please refer to the “3.2.1 Directors Experience” of the Annual report	Note 1	-	-	-
CFO Eddie Chen	ROC Male	2021-7-15	0	0	0	0	0	0	MBA, Wharton School of the University of Pennsylvania Managing Director: KHL Capital CFO: Fubon Financial Holding Co., Ltd., Chimei Innolux Corp.	Note 1	-	-	-
CTO Masayuki Fujimoto	Japan Male	2008-7-1	0	0	0	0	0	0	Ph.D. in Engineering ,University of Tokyo Bachelor , Tokyo University of Science General Manager of Central Research Laboratories, Taiyo Yuden Co., Ltd Visiting Scientist at the Massachusetts Institute of Technology.	None	-	-	-

Title/Name	Nationality/ Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
			Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Executive Vice President T.Y. Chang	ROC Male	2022-6-1	0	0	0	0	0	0	EMBA, National Sun Yat-sen University Master in Material Science, National Cheng Kung University (NUKU) Vice President, UNIOHM General Manager, COMPAL-LIZ Director of Chip Resistor & MLCC PBG, YAGEO Corp. Director of MLCC PBG, Philips	None	-	-	-
Vice President Brian Liu	ROC Male	2022-8-8	0	0	0	0	0	0	Master in Electrical Engineering, National Chung Cheng University Vice President, RALEC Vice President, COMPAL-LIZ Vice President, Resistor, YAGEO Corp. Technical Director , HSIN BUNG Quality Assurance Manager of Chip Resistor, YAGEO Corp	None	-	-	-
Vice President C.T Lee	ROC Male	2016-7-11	23,174	0.0005	413	0.00	0	0	Ph.D., Resources Engineering , National Cheng Kung University	None	-	-	-
Chief Information Officer Chris Yang	ROC Male	2020-8-1	41,118	0.009	15,918	0.0003	0	0	Master, Information Engineering ,Feng Chia University Bachelor, Computer Science, Soochow University Director of TPO Displays Corp. Senior Manager of NXP Semiconductors	None	-	-	-
Chief HR Officer Alison Tung	ROC Female	2020-10-5	0	0	0	0	0	0	M.A. in Industrial & Organizational Psychology , New York University Vice President of Human Resource ,TSRC Corp.	None	-	-	-
Vice President Nick Chen	ROC Male	2022-8-1	0	0	0	0	0	0	Duo Majors Environmental Science and Biology, Long Island University DACHSER Taiwan Inc, Managing Director DHL Express Taiwan, VP Operations	None	-	-	-
Accounting Officer and Corporate Governance Officer Kevin Yang	ROC Male	2020-6-30	0	0	0	0	0	0	Master in Accounting, National Taiwan University Bachelor in Economics, National Taiwan University Head of Finance, Yageo Corporation Senior Manager of Audit, Deloitte & Touche	Note 1	-	-	-

Note1: The above Managers also serve for the subsidiaries, please refer to the "Attachment III Each affiliated company's Director, Supervisor, and GM" of the Annual report

Note2: No any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm.

Note3: GM (or someone with an equivalent job responsibility, i.e. the highest ranking manager of the company) and Chairman are not (1) the same person, (2) in a marital relationship with each other, or (3) within one degree of consanguinity: None.

3.3 Remuneration of Directors and Management Team

3.3.1 Remuneration of Directors

Unit: NT$ thousands

Title/ Name	Remuneration								Total amount (A+B+C+D) and ratio of total amount to net income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Total amount (A+B+C+D+E+F+G) and ratio of total amount to net income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary
	Base Compensation (A)		Severance Pay and Pensions (B)		Directors Compensation (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay and Pensions (F) (Note1)		Employee Compensation (G)						
	The company	From all consolidated entities	The company	From all consolidated entities	The company	From all consolidated entities	The company	From all consolidated entities	The company	From all consolidated entities	The company	From all consolidated entities	The company	From all consolidated entities	The company		From all consolidated entities		The company	From all consolidated entities	
															Cash	Stock	Cash	Stock			
Chairman Tie-Min Chen	-	-	-	-	127,746	127,746	-	-	127,746 (0.56%)	127,746 (0.56%)	7,122	7,122	-	-	3,000	-	3,000	-	137,868 (0.61%)	137,868 (0.61%)	-
Independent Director	3,256	3,256	-	-	-	-	144	144	3,400 (0.01%)	3,400 (0.01%)	-	-	-	-	-	-	-	-	3,400 (0.01%)	3,400 (0.01%)	-
Cheng-Ling Lee	2,856	2,856	-	-	-	-	144	144	3,000 (0.01%)	3,000 (0.01%)	-	-	-	-	-	-	-	-	3,000 (0.01%)	3,000 (0.01%)	-
Hong-So Chen Hsu Tun Son Lin	2,900	2,900	-	-	-	-	-	-	2,900 (0.01%)	2,900 (0.01%)	-	-	-	-	-	-	-	-	2,900 (0.01%)	2,900 (0.01%)	-
Director Hsu Chang Investment Ltd	-	-	-	-	638,730	638,730	-	-	638,730 (2.81%)	638,730 (2.81%)	-	-	-	-	-	-	-	-	638,730 (2.81%)	638,730 (2.81%)	-
Representatives																					
Chin-San. Wang	2,256	2,256	-	-	-	-	144	144	2,400 (0.01%)	2,400 (0.01%)	-	-	-	-	-	-	-	-	2,400 (0.01%)	2,400 (0.01%)	-
Shih-Chien Yang	2,256	2,256	-	-	-	-	144	144	2,400 (0.01%)	2,400 (0.01%)	-	-	-	-	-	-	-	-	2,400 (0.01%)	2,400 (0.01%)	-
Ching-Chang Yen	4,856	4,856	-	-	-	-	144	144	5,000 (0.02%)	5,000 (0.02%)	-	-	-	-	-	-	-	-	5,000 (0.02%)	5,000 (0.02%)	-
Tzong-Yeong Lin	3,400	3,400	-	-	-	-	-	-	3,400 (0.01%)	3,400 (0.01%)	-	-	-	-	-	-	-	-	3,400 (0.01%)	3,400 (0.01%)	-
Deng -Rue Wang	-	-	-	-	-	-	-	-	-	-	58,832	58,832	108	108	3,000	-	3,000	-	61,940 (0.27%)	61,940 (0.27%)	-

1. Independent Directors' remuneration policies, procedures, standards and structure, as well as the linkage to responsibilities, risks and time spent:
   The remuneration of the Directors of the Company should fully reflect the personal performance and the long-term business performance of the company, and the Company should consider the risks of operation. For Independent Directors, the Company should establish reasonable remunerations different from Directors.
   According to the Company's Articles 16-1, the Board of Directors is authorized to determine the salary for the Directors, taking into account the extent and value of the services provided for the management of the Corporation and the standards of the industry. If there is profit generated for the year, according to Articles 24 the Company shall set aside no more than 3% of pre-tax income before deduction of employees' compensation and remuneration to directors for director remuneration. Which should be reasonable to consider factors such as time invested by individuals, responsibility, risks, and company performance.
2. In addition to the above disclosed, Director Remuneration received for the services of all companies in the financial report (such as providing consulting services as a non-employee of parent company/all consolidated entities/non-consolidated affiliates) amount is 0.

Note 1: Retirement pension is the amount of 6% of the monthly salary of the employee to the Bureau of Labor Insurance.

3.3.2 Remuneration of Major Managers

Unit: NT$ thousands

Title Name	Salary(A)		Severance Pay and Pensions (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Total amount (A+B+C+D) and ratio of total amount to net income (%)		Compensation Paid from an Invested Company Other than the Company and Company's Subsidiary
	The company	From all consolidated entities	The company	From all consolidated entities	The company	From all consolidated entities	The company		From all consolidated entities		The company	From all consolidated entities	
							Cash	Stock	Cash	Stock			
Chairman & Strategic Investment Management Tie-Min Chen CEO & GM Deng-Rue Wang CFO Eddie Chen CTO Masayuki Fujimoto Executive Vice President T.Y. Chang Vice President Brian Liu Vice President C.T Lee Chief Information Officer Chris Yang Chief HR Officer Alison Tung Vice President Nick Chen Accounting Officer and Corporate Governance Officer Kevin Yang	92,142	96,795	769	769	39,179	40,031	17,000	-	17,000	-	149,090 (0.66%)	154,595 (0.68%)	-

Note 1: Retirement pension is the amount of 6% of the monthly salary of the employee to the Bureau of Labor Insurance

Note 2: Earnings distribution employee bonus is presented in estimates.

Range of Remuneration

Range of Remuneration	Name of Major Managers	
	The company	From all consolidated entities
Under NT$ 1,000,000	Masayuki Fujimoto	0
NT$1,000,001 ~ NT$2,000,000	0	0
NT$2,000,001 ~ NT$3,500,000	Nick Chen, Brian Liu	Nick Chen, Brian Liu
NT$3,500,001 ~ NT$5,000,000	0	0
NT$5,000,001 ~ NT$10,000,000	TY Chang, Kevin Yang, C.T Lee, Chris Yang	TY Chang, Kevin Yang, C.T Lee, Chris Yang, Masayuki Fujimoto
NT$10,000,001 ~ NT$15,000,000	Tie-Min Chen, Alison Tung	Tie-Min Chen, Alison Tung
NT$15,000,001 ~ NT$30,000,000	Eddie Chen	Eddie Chen
NT$30,000,001 ~ NT$50,000,000	0	0
NT$50,000,001 ~ NT$100,000,000	Deng-Rue Wang	Deng-Rue Wang
Over NT$100,000,000	0	0
Total	11	11

3.3.3 Employee Compensation of the Managers:

As of December 31, 2022 Unit: NT$ thousands

	Title	Name	Employee Compensation - in Stock (Fair Market Value)	Employee Compensation - in Cash	Total	Ratio of Total Amount to Net Income (%)
Manager	Chairman & Strategic Investment Management	Tie-Min Chen	-	17,000	17,000	0.07
	CEO & GM	Deng-Rue Wang				
	CFO	Eddie Chen				
	CTO	Masayuki Fujimoto				
	Executive Vice President	T.Y. Chang				
	Vice President	Brian Liu				
	Vice President	C.T Lee				
	Chief Information Officer	Chris Yang				
	Chief HR Officer	Alison Tung				
	Vice President	Nick Chen				
	Accounting Officer and Corporate Governance Officer	Kevin Yang				

3.3.4 Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

1. Analysis of the ratio of total remuneration paid to net income during the past 2 fiscal years to directors and major managers：

Year	Ratio of total remuneration paid to net income (%)			
	2022		2021	
	The company	From all consolidated entities	The company	From all consolidated entities
Directors	3.77	3.77	3.89	3.89
Major Managers	0.66	0.68	0.65	0.67

2. Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

Subject to the governing laws and regulations, our Company shall offer directors remunerations that justify their individual performance and our Company's long-term operation performance, while taking into account of our Company's operational risks. Our Company may, at its discretion, offer different but reasonable remuneration for independent directors.

According to Article 16-1 of our Company's Articles of Association, the Board of Directors is authorized to determine the directors' remuneration by referencing to the standard commonly accepted by the same-trade businesses. In addition, Article 24 allows maximum 3% of current fiscal pre-tax profit, if any, less remunerations for employee and directors, be allocated to the directors of the board.

It is deemed reasonable, considering the factors such as individual's time invested and responsibilities and risk assumed and our Company's operation performance.

Managers' remunerations include salary and bonus. The said salary varies according to position, professional competency and duties. Bonus is paid depending on our Company's fiscal performance, operation status and individual performance. Subject to fiscal profit, employee remunerations are paid according to our Company's Articles of Association. The remuneration determination procedure includes considerations of our Company's future operation performance and development and is therefore deemed reasonable and may balance sustainable business and risk control.

3.4 Implementation of Corporate Governance

3.4.1 The state of operations of the Board of Directors:

A total of 11 (A) meetings of the Board of Directors were held in the previous period. The attendances of directors were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Chairman	Tie-Min Chen	10	1	91	Reelected
Director	Hsu Chang Investment Ltd Representatives Chin-San Wang	11	0	100	Reelected
Director	Hsu Chang Investment Ltd Representatives Tzong-Yeong Lin	1	10	9	Reelected
Director	Hsu Chang Investment Ltd Representatives Shih-Chien Yang	11	0	100	Reelected
Director	Hsu Chang Investment Ltd Representatives Ching-Chang Yen	9	2	82	New appointment on Jul. 7, 2021
Director	Hsu Chang Investment Ltd Representatives Deng-Rue Wang	8	3	73	Reelected
Independent Director	Cheng-Ling Lee	10	1	91	Reelected
Independent Director	Hong-So Chen	11	0	100	Reelected
Independent Director	Hsu Tun Son Lin	11	0	100	Reelected

Other mentionable items:

a. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:

- Matters referred to in Article 14-3 of the Securities and Exchange Act.

BOD	Subjects	Resolution results	Opinions of independent directors	Company's treatment of the pinions	Company's treatment of the pinons
2022-01-04	The Company will adjust the number of shares to be issued upon the share swap between the Company and CHILISIN ELECTRONICS CORP.	Approved	None	None	None
2022-03-17	The Company will adjustment of capital structure.	Approved	None	None	None
	Amendment to the Procedures for Acquisition or Disposal of Assets	Approved	None	None	None
	For subsidiary investment require, loan to Kuo-Shin Investment Ltd.	Approved	None	None	None
	The Company's offering endorsement/guarantee to the subsidiaries for applying for bank credit line.	Approved	None	None	None
2022-04-26	CPAs replacement.	Approved	None	None	None
	The Company will buy back ordinary shares.	Approved	None	None	None
2022-05-20	The Company will capital injection in XSemi Corp.	Approved	None	None	None
2022-07-11	The Company will buy back ordinary shares.	Approved	None	None	None
2022-08-11	The Company's offering endorsement/guarantee to the subsidiaries for applying for bank credit line.	Approved	None	None	None
2022-08-30	The Company will acquire Heraeus Nexensos in cash through a 100% of subsidiary in Singapore.	Approved	None	None	None
2022-10-27	The Company will acquire Schneider Electric's industrial sensors business, Telemecanique Sensors, in cash through the establishment of a new 100%-owned French subsidiary	Approved	None	None	None
2022-11-10	CPAs appointment.	Approved	None	None	None
	The Company's offering endorsement/guarantee to the subsidiaries for applying for bank credit line.	Approved	None	None	None

- Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors. None

b. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None.

c. Performance evaluation of the Board of Directors:

The Company established the “Board of Directors Performance Evaluation” in 2020. When electing or nominating members of the board of directors, the Company base its election on the evaluation results of the performance of the board and base its determination of an individual director's remuneration on the evaluation results of his or her performance. The Company reported the evaluation results in the March 14, 2023 Board of Directors, the results will be a reference for enhancing the professional competence of the Board of Directors and had been announced on the Company website for investors’ reference.

l The situation of Board of Directors performance evaluation

Evaluation Cycle	Period of Evaluation	Scope of Evaluation	Method of Evaluation	Evaluation Content	Score	Evaluation result
Performed once a year	2022-01-01~ 2022-12-31	Board Performance Evaluation	Internal evaluation of the Board	A. Participation in the operation of the Company. B. Improvement of the quality of the Board of Directors' decision making. C. Composition and structure of the Board of Directors. D. Election and continuing education of the Directors. E. Internal control.	4.89	Excellent
Performed once a year	2022-01-01~ 2022-12-31	The evaluation of Individual Directors	Self-evaluation by individual Board members	A. Familiarity with the goals and missions of the company. B. Awareness of the duties of a director. C. Participation in the operation of the company. D. Management of internal relationship and communication. E. The director's professionalism and continuing education. F. Internal control.	4.93	Excellent
Performed once a year	2022-01-01~ 2022-12-31	Functional Committees Performance Evaluation	Internal evaluation of the Functional Committees	A. Participation in the operation of the Company. B. Awareness of the duties of Functional Committees. C. Improvement of the quality of the Functional Committee's decision making. D. Composition of Functional Committees and selection of members. E. Internal control.	5	Excellent

Note: The results number 1: poor; number 2: fair; number 3: average; number 4: Good; number 5: Excellent

Evaluation Cycle	Period of Evaluation	Scope of Evaluation	Method of Evaluation	Evaluation Content
Performed every three years	2022-01-01 ~ 2022-12-31	Board Performance Evaluation	The Company commissioned an external professional institution, the Taiwan Corporate Governance Association, to implement the 2022 board performance evaluation	1. Eight dimensions: The composition, guidance, authorization, supervision, communication, self-regulation, internal controls, and risk management of the board 2. Interviewed the relevant members face-to-face

d. Measures taken to strengthen the functionality of the board: The Board of Directors has established an Audit Committee and a Remuneration Committee to assist the board in carrying out its various duties.

The Company established the Audit Committee on June 5, 2018, also established the Compensation Committee and the Corporate Sustainability Committee in 2020. The Company has set up a Chinese/English website (www.yageo.com) to disclose information regarding the Company's financials, business, shareholders' meetings, investor conference and corporate governance status to enhance information transparency.

3.4.2 The state of operations of the Audit Committee:

(1) Major matters:

The Audit Committee of the Company is composed of 3 independent Directors, the Audit Committee assists the Board in fulfilling its oversight of the quality and integrity of the accounting, auditing, reporting, and financial control practices of the Company.

The Audit Committee is responsible to review the following major matters:

(a) Financial reports;
(b) Internal control systems and including related policies and procedures;
(c) Material asset or derivatives transactions;
(d) Material lending funds, endorsements or guarantees;
(e) Derivatives and cash investments;
(f) Hiring or dismissal of an attesting CPA, or the compensation given thereto;
(g) Appointment or discharge of financial, accounting, or internal auditing officers;

(2) Total of 13 (A) Audit Committee meetings were held in the previous period. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Independent director	Cheng-Ling Lee	13	0	100	
Independent director	Hong-So Chen	13	0	100	
Independent director	Hsu Tun Son Lin	13	0	100	

(3) Other mentionable items:

(3-1) If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:

(a) Matters referred to in Article 14-5 of the Securities and Exchange Act.

Audit Committee	Subjects	Resolution results	Opinions of independent directors	Company's treatment of the opinions
2022-01-04	The Company will adjust the number of shares to be issued upon the share swap between the Company and CHILISIN ELECTRONICS CORP.	Approved	None	None
2022-03-17	The Company's 2021 consolidated financial statement.	Approved	None	None
	The Company will adjustment of capital structure.	Approved	None	None
	Amendment to the "Procedures for Acquisition or Disposal of Assets".	Approved	None	None
	For subsidiary investment require, loan to Kuo-Shin Investment Ltd.	Approved	None	None
	The Company's offering endorsement/guarantee to the subsidiaries for applying for bank credit line.	Approved	None	None
2022-04-26	The Company's 2022Q1 consolidated financial statement.	Approved	None	None
	CPAs replacement.	Approved	None	None
	The Company will buy back ordinary shares.	Approved	None	None
2022-05-17	The Company will appoint an independent expert to issue the fairness opinion for the capital injection in XSemi Corp.	Approved	None	None
2022-05-20	The Company will capital injection in XSemi Corp.	Approved	None	None
2022-07-11	The Company will buy back ordinary shares.	Approved	None	None
2022-08-11	The Company's 2022Q2 consolidated financial statement.	Approved	None	None
	The Company's offering endorsement/guarantee to the subsidiaries for applying for bank credit line.	Approved	None	None
2022-08-29	The Company will appoint an independent expert to issue the fairness opinion for the acquire Heraeus Nexensos.	Approved	None	None
2022-08-30	The Company will acquire Heraeus Nexensos in cash through a 100% of subsidiary in Singapore.	Approved	None	None
2022-10-25	The Company will appoint an independent expert to issue the fairness opinion for the acquire Schneider Electric's industrial sensors business, Telemecanique Sensors.	Approved	None	None
2022-10-27	The Company will acquire Schneider Electric's industrial sensors business, Telemecanique Sensors, in cash through the establishment of a new 100%-owned French subsidiary	Approved	None	None
2022-11-10	The Company's 2022Q3 consolidated financial statement.	Approved	None	None
	Earnings Distribution Proposal for the first half year of 2022	Approved	None	None
	CPAs appointment.	Approved	None	None
	The Company's offering endorsement/guarantee to the subsidiaries for applying for bank credit line.	Approved	None	None

(b) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors:
None

(3-2) If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:
In the cash capital increase case of XSemi Corp., Mr. Tie-Min Chen, the chairman of the board, was also the chairman of XSemi Corp., and he refrained from voting in accordance with the law. Mr. Tie-Min Chen, the chairman, appointed Mr. Cheng-Ling Lee, an independent director, as the acting chairman of this discussion. Except for the directors who have withdrawn according to the law, the chairman consulted the directors present, and all the directors passed without objection.

(3-3) Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the material items, methods and results of audits of corporate finance or operations, etc.) :
In addition to regularly submitting the audit report to the independent directors, the auditing unit of the company usually communicates with the independent directors by email, telephone or face-to-face discussion as usual. Communications between the independent directors, the Company's chief internal auditor and CPAs for 2022 have been published on the Company's website.

3.4.3 The state of the company's implementation of corporate governance, any departure of such implementation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such departure:

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	**P**		In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, the Company has in 2020 disclosed its "Guidelines for Corporate Governance Practice" approved by the Board of Directors at the Market Observation Post System as well as the Company's official website.	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
2. Shareholding structure & shareholders' rights (1)Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	**P**		(1) The Company has a spokesperson, deputy spokesperson and stock affairs department to effectively handle shareholders' suggestions, doubts, disputes and litigation.	None
(2)Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	**P**		(2) The company maintains a list of shareholders of major shareholders and the list of ultimate owners of those shares based on the register of shareholders provided by the stock agent.	
(3)Does the company establish and execute the risk management and firewall system within its conglomerate structure?	**P**		(3) The management responsibilities of the Company and the affiliated enterprises are clearly defined and operate independently; also, business transactions are conducted in compliance with the Company's internal control system and the relevant requirements.	
(4)Does the company establish internal rules against insiders trading with undisclosed information?	**P**		(4) As a measure to prevent violation of the applicable laws and regulations, the Company has promulgated its "Internal Critical Information Processing Operation" in 2020, of which importance and compliance are reiterated to and among internal personnel from time to time as per requirement stipulated by the securities market laws and regulations concerning securities and listed companies.	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
3. Composition and Responsibilities of the Board of Directors (1)Does the Board develop and implement a diversified policy for the composition of its members?	**P**		(1) The Company has established the diversified policy for the composition of Board's members in "Guidelines for Corporate Governance Practice". The board of directors of the company (including Independent directors) have relevant professional knowledge background and ability to implement the functions of the board of directors and improve the company's development goals. At present, the 9 Directors have professional abilities in accounting, law, management, leadership and strategy. The nomination and selection of members of the Company's Board of Directors is in accordance with the Company's Articles of association, adopting the candidate nomination system, in addition to evaluating the qualifications of each candidate's academic experience, and referring to the opinions of stakeholders, abide by the "director election method" to ensure the Board members Diversity and independence. The situation of Directors implementing the board diversity policy refers to "3.2.1.4 Board members Diversity and independence" section of this annual report.	None
(2)Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	**P**		(2) The company has established functional committees for the Remuneration Committee, Audit Committee, Strategic Investment Management Committee, Sustainable Development Committee and Compensation Committee.	
(3)Does the Company established methodology for evaluating the performance of its Board of Directors, on an annual basis, reported the results of performance to the Board of	**P**		(3) The company has established the "Board of Directors Performance Evaluation", and has been performing board performance evaluation every year. The	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
Directors, and use the results as reference for directors' remuneration and renewal?			methods of evaluation include the internal evaluation of the board and self-evaluation by individual board members. External professional institutions or teams of experts and scholars are hired to perform evaluation every three years. Please refer to the "3.4. Implementation of Corporate Governance" section of this annual report.	
(4)Does the company regularly evaluate the independence of CPAs?	**P**		(4) The Company CPAs have avoided the commissioned matters and those who have a direct or indirect stake in themselves The Board of Directors evaluates the independence, competence and professionalism of the CPA every year on a regular basis, and requests the CPA to provide the statement of independence every year. The Board of Directors reviews the independence and appointment of the CPA based on his/he profile. The Board of Directors approved appointment and evaluated the independence of the CPA on November 10, 2022. (note 1).	
4. Does the Company appoint competent and appropriate corporate governance personnel and corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors, assisting directors' compliance of law, handling matters related to board meetings and shareholders' meetings according to law, and recording minutes of board meetings and shareholders' meetings)?	**P**		The Company appoint Corporate Governance Officer in 2020. The main duty is to supervise and implement corporate governance affairs, including handling matters related to board meetings and shareholders' meetings according to law, recording minutes of board meetings and shareholders' meetings, assisting directors appointments and continuing education, furnishing information required for business execution by directors and assisting directors in complying with laws and regulations, etc. Please refer to the "5.5 manager continuing education".	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	P		The company has spokesperson and management associated person assigned to establish a comprehensive communication channel. The Company has set up Social Responsibility Area, Stakeholder Area and CSR report on the website. And provides detailed contact information, including telephone numbers and email addresses in the "Stakeholder Area" section of the corporate website. In addition, personnel are in place to exclusively deal with issues of social responsibility, ensuring that various interested parties have channels to communicate with the Company.	None
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	P		The Company designates MasterLink Securities Corp. to deal with shareholder affairs.	None
7. Information Disclosure				
(1)Does the company have a corporate website to disclose information regarding its financials, business and the status of corporate governance?	P		(1) The Company has set up a Chinese/English website (www.yageo.com) to disclose information regarding the Company's financials, business, shareholders' meetings, investor conference and corporate governance status.	None
(2)Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	P		(2) The Company's financials, business, and corporate governance status are fully disclosed on MOPS. And has assigned spokesperson and management associated person to handle.	None
(3)Does the Company appoint competent and appropriate corporate governance personnel and corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors, assisting		P	(3) The Company follows relevant laws and regulations to announce and report the annual financial statements, and announce and report the first, second and third quarter financial statements as well as the operating status of each month. And disclosed on	The company fails to announce and declare its annual financial report within two months after the end of the fiscal year.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
directors' compliance of law, handling matters related to board meetings and shareholders' meetings according to law, and recording minutes of board meetings and shareholders' meetings)?			MOPS and the Company's website.	
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	**P**		(1) Status of employee rights and employee wellness: Please refer to the "5.5 Labor Relations" section of this annual report. (2) Status of investor relations, Supplier relation, and the interests of Implementation of the stakeholder rights: Please refer to the "CSR report" on the Company website. (3) Status of continuing education of directors had been disclosed on MOPS. (4) Status of risk management policies and risk evaluation: Please refer to the "VII. Review of Financial Conditions, Financial Performance, and Risk Management" of this annual report. (5) The Company has purchased D&O insurance for its directors.	None
9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures. The Company has continued to handle relevant matters and measures regarding the results of the corporate governance evaluation.				

Note1 Assessment table of independence of CPA

Description	Result
1. The CPA has no direct or significant indirect financial interests with the Company.	■YES □NO
2. The CPA has no significant and close business relationship with the Company.	■YES □NO
3. The CPA has not potential employment relationship with the Company.	■YES □NO

4. The CPA has not financing with the Company.	■YES □NO
5. The CPA has not accepted gifts or gifts of great value from the Company and its Directors and managers (the value of which exceeds the standard of general social etiquette) .	■YES □NO
6. The CPA has not provide the Company's audit services for seven consecutive years.	■YES □NO
7. The CPA does not hold shares of the Company.	■YES □NO
8. The CPA himself, his spouse or dependent relatives and members of their audit team had not positions in the Company as Director, manager or a significant influence during the audit period or within the last two years. It is also determined that they will not serving related positions.	■YES □NO
9. Whether the CPA has complied the independence regulations in the Norm of Professional Ethics for Certified Public Accountant NO.10 and obtained the "Independence Declaration" issued by the CPA.	■YES □NO

3.4.4 Functional Committees

3.4.4.1 Remuneration Committee

3.4.4.1.1 Remuneration Committee Members' Professional Qualifications and Independent Analysis

Criteria / Identity / Name	Professional Qualification and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Independent director Cheng-Ling Lee	Please refer to the "3.2.1.3. Professional qualifications and independence analysis of Directors" section of this annual report.		0
Independent director Hong-So Chen			3
Independent director Hsu Tun Son Lin			1

3.4.4.1.2 Remuneration Committee Meeting Status

a. There are 3 members in the Remuneration Committee.

b. Tenure of the Remuneration Committee: July 07, 2021 ~ July 06, 2024; A total of 3 (A) Remuneration Committee meetings were held in the previous period. The attendance record of the Remuneration Committee members was as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%)【B/A】	Remarks

Convener	Cheng-Ling Lee	3	0	100	
Committee Member	Hong-So Chen	3	0	100	
Committee Member	Hsu Tun Son Lin	3	0	100	

3.4.4.1.3 Other mentionable items:

a. In 2021, Compensation Committee meeting contents, resolution and the Company's treatment of the pinions

Compensation Committee	Subjects	Resolution results	Company's treatment of the opinions
2022-01-25	Year 2021 the Company's bonus.	Approved	Executed by the Human Resources
2022-03-17	Year 2021 employees' compensation and remuneration to Directors distribution.	Approved	Report to the Board of Directors and approved
2022-08-11	Year 2022 management team performance bonus policy (YMIP)	Approved	Executed by the Human Resources
	Long term performance bonus policy (YLIP)	Approved	Executed by the Human Resources

b. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.

c. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

3.4.4.2 Nomination Committee

3.4.4.2.1 Criteria and duties for members of nomination committee:

The Company has established a nomination committee in 2020 to enhance the performance of our Company's board of directors, and the members' duties are:

1. Formulate the portfolio and criteria for directors and high-ranking managers, as well as their successors.
2. Formulate and review the establishment, duties and performance of each sub-committees of the board of directors.
3. Strengthen corporate governance and practice, uphold stakeholders' interests.
4. Plan and execute the chairperson's advance study program.
5. Matters entrusted to the committee through the board's resolutions.

3.4.4.2.2 Attendance of Members at Nomination Committee Meetings

a. There are 3 members in the Nomination Committee.
b. Tenure of the Nomination Committee: July 07, 2021 ~ July 06, 2024; A total of 5 (A) Nomination Committee meetings were held in the previous period. The attendance record, professional qualification and experience of the Nomination Committee members was as follows:

Title	Name	Professional Qualification and Experience	Attendance in Person(B)	By Proxy	Attendance Rate (%)【B/A】	Remarks
Convener	Cheng-Ling Lee	Please refer to the "3.2.1.3. Professional qualifications and independence analysis of Directors" section of this annual report.	2	0	100	
Committee Member	Hong-So Chen		2	0	100	
Committee Member	Hsu Tun Son Lin		2	0	100	

3.4.4.2.3 Other mentionable items:

In 2021, Nomination Committee meeting contents, resolution and the Company's treatment of the pinions

Compensation Committee	Subjects	Resolution results	Company's treatment of the opinions
2022-01-25	The Company's implementation plan for director performance evaluation in 2021。	Approved	Executed by the Board of Directors Secretariat and Head of Corporate Governance
	The Company's 2022 Directors' training plan.	Approved	
2022-03-17	Report 2022 Board Performance Evaluation.	Know	Reported to Board of Directors on March 3, 2022

3.4.4.3 Corporate Governance Officer

3.4.4.3.1 The scope of job and authority of the Corporate Governance Officer is to fulfill corporate governance, strengthen functional competency of the board and preserve shareholders' rights. The board of our Company has passed its resolution on June 30, 2020 to appoint Kevin Yang, of the Finance and Accounting Department, as the Corporate Governance Officer, the highest-ranking supervisor in charge of our Company's corporate governance affairs. The primary duties are to supervise and administer the operation of corporate governance, including tasks concerning board meetings and shareholder's meetings in accordance with the laws, producing meeting minutes for the board and shareholders' meetings, assisting the chairperson to perform office and finish advanced study program, providing data that chairperson may need to perform duties and supporting the chairperson regarding to

legal compliance affairs.

3.4.4.3.2 Status quo on corporate governance practice

1. Administer all legally required matters regarding to the board and shareholders' meetings.
   Board meeting date registration, meeting notice, meeting manual, annual report, meeting minutes and public announcements are administered as required by laws.
2. Assist the directors regarding to legal compliance affairs.
   Remind the directors of adhering to the rules of rights and duties of the board.
   Remind the directors about the latest changes of legal requirement concerning company operation.
3. Assist the directors to perform office and provide necessary information.
   Assistance on corporate governance is made available to all directors to make sure that legal compliance regarding to board meetings and all matters to which laws and regulations may apply are duly performed. Maintain optimal information exchange among the directors and between directors and administrative units.
   Provide information necessary for performing duties to directors; and complete tasks assigned by the board swiftly within 30 days, fulfilling the board's function promptly and effectively.

3.4.4.3.3 Corporate Governance Officer continuing education

Training Date	Courses	Organizer	hours
2022-08-19	Case analysis of the dispute over the right to manage the company	Taiwan Corporate Governance Association	3
2022-08-30	On the Evaluation and Execution of Investment Mergers and Acquisitions from a Legal Viewpoint	Taiwan Corporate Governance Association	3
2022-11-10	Matters needing attention in securities transactions of company insiders	Accounting Research and Development Foundation	3
2022-11-10	Corporate Governance and Securities Regulation	Accounting Research and Development Foundation	3

3.4.5 The State of the Company's Promotion of Sustainable Development, Any Variance from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the Reason for Any Such Variance

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
1. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors?	**P**		The Company has set up a Corporate Sustainability Committee, CSC, with Board of Directors authorization for senior management, including members representing various functional units, such as finance, economies, environment and corporate governance and headed by the CEO and two independent directors to supervise its development. The Company meets regularly every year to discuss sustainable development issues, and the promotion of sustainable development has been reported to the Board of Directors on April 26, 2022 and November 10, 2022.	None
2. Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy?	**P**		The Company's risk assessments are conducted on various topics according to the principle of materiality as to infuse ESG into YAGEO's management strategies and to fulfill our long-term commitment in ESG initiatives in purposeful, systematic and organizational manners, and also established risk management related policy. The company has reported the operation of risk management to the board of directors on November 10, 2022. The content of the report is mainly about risk assessment items (such as: supply chain management, information security management, pollution and toxic substance management, etc.) and the risk control measures and strategies adopted .)	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
3. Environmental Topic				
(1) Does the company establish proper environmental management systems based on the characteristics of the industry?	**P**		(1) The Company is committed to the management of the environmental safety system. The Company obtained the OHSAS18001 occupational safety and health management system in August 2010 and the ISO14001 environmental management system certification in 2012. The Company establishes and implements environmental management system based on ISO-14001, which allows the company to implement pollution prevention, pursue sustainable development, and comply with environmental protection laws and regulations.	
(2) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?	**P**		(2) The Company is actively engaged in environmental protection activities, and implement energy saving, industrial waste reduction, resource recycle and reuse, and non-use of banned substances.	
(3) Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?	**P**		(3) In responding to climate change, the Company has implemented environment policies that aim to conserve energy and reduce carbon emission through our environment management system that instills the ideas of conserving energy and reducing carbon emission in working environment among employee by increasing energy consumption efficiency and adopting action plans that reduce depletion of natural resource. Such plans include, for examples, green supply chain management, material and waste management and product packaging reduction and recycling.	None
(4) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set energy conservation, greenhouse gas emissions reduction, water usage reduction and other waste management policies?	**P**		(4) The Company has been actively evaluating and planning for the statistics of greenhouse gas emission volume, water consumption volume and total weight of waste to reduce impact on natural resources and environment contamination. We are also planning on disclosure quantitative statistics of environment information, such as purchased electric power, renewable energy, water resource and consumptions of various materials.	

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
4. Social Topic				
(1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	**P**		(1) The Company establishes recruitment and remuneration procedures which are in compliance with Labor Standard Law and Employment Service Law to protect employees' interests and legal rights. The Company supports and respect labors' right standards practiced among the international society. To protect employee's rights at work, continuously and proactively maintain good working environment and comply with all employment laws and international standards applicable to all business areas, the Company has also promulgated its Employee Code of Conduct that reflects the ideals intended in the Responsible Business Alliance, the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights. Furthermore, the YAGEO Employment Regulations strictly demand full compliance with all labor-related laws and regulations.	
(2) Does the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?	**P**		(2) The Company complies with the Labor Standard Act and all applicable laws. We have measures for employee salary and benefits and offer salary and benefits better than what is offered by others in the same trade to incentivize existing employee and attract new employee to join us. We also offer reasonable performance bonus according to our routine assessment policy for all employee to share the Company's operational performance and result.	None
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	**P**		(3) The Company provides employees with a safe and comfortable working environment and regularly promotes employees safety and health education.	
(4) Does the company setup a communication channel with employees on a regular basis, as well as reasonably inform employees of any significant changes in operations that may have an impact on them?	**P**		(4) The Company setups employee section in internal website and bulletin boards in manufacturing sites to communicate changes in operations that may have significant impacts on employees.	
(5) Does the Company's product and service comply with related regulations and international rules for customers' health and	**P**		(5) The Company's products and services, including marketing practices and labeling, complies with all laws and international	

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
safety, privacy, sales, labelling and set policies to protect consumers' or customers' rights and consumer appeal procedures?			standards governing customer health, safety and privacy. The Company has implemented Service Management Procedure, Confidential Information Protection Policy and Customer Satisfaction Survey Practice Guidelines to protect consumers' rights and warrant complaint process.	
(6) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?	**P**		(6) The Company has evaluations and management measures that suppliers are required to adhere with best effort; suppliers are evaluated routinely. The Company also periodically audits suppliers; warning with timely improvement demand will be issued if any environment violation is found and business will be terminated if the said violation is found to be extreme. In the aspect of human right issues, the Company also demand suppliers to comply with the same human right policy and follow regulations governing occupational safety and hygiene or labor rights.	
5. Does the Company refer to international reporting rules or guidelines to publish Sustainability Report to disclose non-financial information of the Company? Has the said Report acquire third party verification or statement of assurance?	**P**		The Company prepared the report with reference to the internationally-prepared reporting standards, and acquired the statement of assurance by Deloitte, which was disclosed on the MOPS and Company websites.	None
6. If the Company has established its sustainable development code of practice according to "Listed Companies Sustainable Development Code of Practice," please describe the operational status and differences: There is no material discrepancy between the principles and the implementation.				
7. Other important information to facilitate better understanding of the Company's implementation of sustainable development: Based on the awareness of social responsibility and environmental protection, the Company takes responsibility for the environment, vigorously adopts environmental friendly products, implements measures to reduce pollution, and actively participates in environmental protection related activities and strictly complies with domestic environmental protection regulations, and is self-disciplined on international environmental protection conventions. The procurement of raw materials, personnel management, product development, quality control activities, customer service, manufacturing process, pollution prevention measures, emergency response measures, etc., all follow the Company's environmental policy. The Company also establishes and enforces an environmental management system, implements pollution prevention, dedicated to sustainable development of the Company and continuous improvement of the environment. Our employees actively participate in environmental protection activities, including the implementation of energy saving, industrial waste reduction, resource recycle and reuse and non-use of banned substances. Some of the certifications Yageo has obtained for years of environmental protection are as follows: 1. ISO14001 certification 2. Sony Green Partner Certification. 3. ASUS Green management system certification. 4. SAMSUNG Eco-Partner certification.				

3.4.6 Status Quo of Climate Actions by TWSE Listed and TPEX Listed Companies

a. Climate Action Implementations

Tasks	Implementation Status Quo
1. Describe the supervision and governance by the Board and the Management on climate-related risks and opportunities.	YAGEO has already established its Sustainable Development Committee (formerly the Corporate Social Responsibility Committee) as early as 2020 to enhance its evaluation on risks and opportunities arising from climate change. YAGEO's Board of Directors is the leading body in charge of climate risk management and evaluation and is responsible for reviewing and supervising environment sustainability budgets presented and results produced by all business units. In addition, YAGEO has taken initiatives on its own to participate in the Carbon Disclosure Project (CDP), voluntarily discloses its current status in the management and implementation on climate change and water resource.
2. Describe the impact on corporate business, strategy and finance (from short-, mid- and long-term perspectives) brought by recognized climate risks and opportunities.	YAGEO discloses its evaluation and management on climate-related risks and opportunities in the four core elements of governance, strategy, risk management and metrics and targets recommended by the Task Force on Climate-related Financial Disclosures (TCFD). The standards adopted to evaluate strategies and financial planning address three impact aspects of operation, finance and society, and responding measures are grouped in short-, mid- and long-term categories in preparation for the related risks and opportunities in each of the said impact aspects.
3. Describe the impact on finance brought by extreme climate events and transition actions.	The result of Climate Change Questionnaire suggests that the current four climate change risks are extreme rainfall event, raw material cost increase, environment regulation increase and energy source transition. The four climate change opportunities are product demand increase, development and expansion of low-carbon product production, development and production of low water footprint product and design of circular economy product. We expect to formulate our strategy and response measure early according to climate change uncertainty and risk analysis and minimize losses brought by climate change risks.
4. Describe the integration of overall risk management system into climate risk recognition, evaluation and management workflow.	Enhance awareness of climate change issues among all units and implement related policies through cross-department system, and gradually include climate change into corporate sustainability policy/risk management policy.
5. If situational analysis is used to evaluate climate change risk resilience, then it is necessary to explain the adopted situations, parameters, assumptions, analysis factors and major financial impact.	The possible impacts on corporate operation brought by high greenhouse gas emission scenarios, as provided in the fifth evaluation report issued by the Intergovernmental Panel on Climate Change (IPCC), is integrated into the design of climate change risks and opportunities evaluation questionnaire. YAGEO has rallied all department heads to join the TCFD workshop to first discuss and identify climate change risks and opportunities in matrix, and then further analyze top four critical risks and opportunities.

Tasks	Implementation Status Quo
6. If a transition plan is to be formulated in response to climate risk management, then it is necessary to explain the plan and the metrics and targets adopted for identifying and managing entity risk and transition risk.	As sustainability awareness is rising globally, development and expansion of low-carbon products will attract corporate buyers that emphasize environment, leading to higher market share and revenue. We expect to develop and expand low-carbon product production in line with three initiatives: “develop new suppliers that are higher in environment awareness”, “introduce new technologies that are low-carbon or low-energy consumption” and “develop low-carbon products”.
7. If internal carbon price is adopted as a planning tool, then it is necessary to explain the pricing foundation.	No plan has been implemented yet, but the possibility of introducing internal carbon pricing is now being actively discussed internally.
8. If climate targets are set, then it is necessary to explain the scope of activities, greenhouse gas emission limits, planning schedule and annual progress. If carbon offset or renewable energy certificate (RECs) are adopted to achieve related targets, then it is necessary to explain the source and amount of carbon reduction credits or the number of RECs earned from the said offset.	Global warming has caused environmental catastrophe all over the world, and YAGEO understands the great extent of environmental damage caused by greenhouse gas emission. With care for humanity and the spirit of contribution for society, we have completed a systematic greenhouse gas emission inventory and list and formulated internal documentation and verification procedures. We expect to achieve the goals of energy conservation, industrial waste reduction and resource recycle and reuse, which are also our efforts in jointly steering domestic industries toward a low-carbon economy in the future. To effectively manage energy consumption, prevent resource and energy wasting and enhance energy efficiency within our Company, all factories have set the goal of 1% electricity annual saving rate as mandated by the government and inspect greenhouse gas inventory annually. Currently our Taiwan operation has adopted third-party audit, while the China operation is actively planning for the same.
9. Status quo of greenhouse gas inventory and assurance (to be filled in 1-1)	Because our Company’s capital is less than TWD 5 billion, we are not required to adopt any mandatory schedule. However, our Company expects to complete parent company’s greenhouse gas inventory and assurance.

a-1 Greenhouse gas inventory and assurance

Company’s basic info	Mandatory minimum disclosures according to sustainable development roadmap for TAIEX listed and TPEX listed companies:
☐Companies with capital of more than TWD 10 billion, companies in steel and iron industry and companies in cement industry. ☐Companies with capital of more than TWD 5 billion and less than TWD 10 billion. ■Companies with capital of less than TWD 5 billion.	☐Parent company’s entity inventory inspection. ☐Subsidiary inventory inspection in consolidated financial report. ☐Parent company’s entity assurance ☐Subsidiary’s assurance in consolidated financial report.

Scope 1	Total emission volume (CO2e in metric ton)	Intensity (CO2e in metric ton)	Assurance agency	Assurance status description
Parent company	Not Applicable			
Subsidiary				
Total				

Scope 1	Total emission volume (CO2e	Intensity	Assurance agency	Assurance status description

	in metric ton)	(CO2e in metric ton)		
Parent company	Not Applicable			
Subsidiary				
Total				

3.4.7 The State of the Company's Performance in the Area of Ethical Corporate Management, Any Variance from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and the Reason for Any Such Variance

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs				None
(1) Does the company have a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	**P**		(1) The Company established the "Procedures for Ethical Management and Guidelines for Conduct" in 2020 and passed by the Board of Directors. With the ideas of sustainable operation and legal compliance, the Board of the Company has established the Ethical Corporate Management Best Practice Principles and other operational procedures. Our Ethical Corporate Management Best Practice Principles are clearly stated and incorporated into our system and are included in our Employee Manual and concerning contracts. It is our promise to proactively fulfill the said Principles.	
(2) Does the company have established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?	**P**		(2) The Company established the "Procedures for Ethical Management and Guidelines for Conduct" in 2020 and passed by the Board of Directors. The Company has formulated the Business Practice Notice, which prohibits offering and/or accepting unjust gains, facilitating pay, peddling consideration and political donation, particularly on business practices that concern higher risk of dishonest behaviors within our scope of business. We routinely analyze and evaluate business practices that concern higher risk of dishonest behaviors within our scope of business to prevent dishonest behaviors from happening.	
(3) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies?	**P**		(3) Our employee handbook covers guidance for information security, gift, favorable terms or discounts, business entertainment, fair trade and non-compete clause. The employee handbook is given to and acknowledged by employees upon first day of employment.	
2. Fulfill operations integrity policy				None

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(1) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	**P**		(1) Yageo requires its vendors and business partners to provide integrity agreement, in which includes the principle of honesty, integrity and liability for breach of contract.	
(2) Does the Company establish a unit which is dedicated to promoting the company's ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters, and program to prevent unethical conduct and monitor its implementation?	**P**		(2) To further enhance Ethical Corporate Management Best Practice, the Company has assembled an Ethical Practice Promotion Team that includes the Human Resource, Legal and Audit units to jointly formulate, supervise and implement ethical practice policies and preventive measures. The Team reports to the Board routinely.	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	**P**		(3) Employee code of conduct prescribes that employees are prohibited to gain personal interests from job duties. In addition, family members of employee should avoid working in a superior-subordinate relationship or job arrangement which involves conflict of interests in Yageo and its affiliates.	
(4) Has the Company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are they audited by either internal auditors or CPAs on a regular basis?	**P**		(4) In the aspects of accounting and internal control, the Company has established effective accounting system and internal control system to address operational activities that concern higher risk of dishonest behaviors. The said systems are inspected routinely to make sure that their design and implementation remain effective and that the internal audit personnel regularly examine the compliant practices required by the said systems. Every department must self-evaluate its internal control system every year to make sure that the design and implementation of the said system are effective.	
(5) Does the Company regularly hold internal and external educational trainings on operational integrity?	**P**		(5) Yageo holds internal and external trainings on operational integrity regularly.	
3. Operation of the integrity channel (1) Does the Company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	**P**		(1) The Company established the "Procedures for whistle-blowing system" in 2020 and passed by the Board of Directors. All employees can whistle blow on wrongdoing and unethical behavior in workplace and their reporting is kept confidential. To protect the whistle blower, there is an independent investigation process to verify the allegation and the employee who is accused can respond and appeal in relevant way. If non-compliant conduct or breach of the employee code of conduct is proven factual, it may result in disciplinary action, including but not limited to, termination of	None

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(2) Does the Company establish standard operating procedures for investigating the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner? (3) Does the Company provide proper whistleblower protection?	**P** **P**		employment or legal action against employee. (2) Unless otherwise stipulated by the laws, the Company shall follow the Standard Operation Procedure for Report Investigation and the follow-up measures after the completion of the said Procedure to keep a whistleblower's personal data confidential and take adequate protective measures to protect personal data and privacy as required by the laws. (3) Sanction or retaliation to whistleblowers with good faith or employees who assist the investigation process is strictly prohibited in Yageo.	
4. Strengthening information disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	**P**		The "Procedures for Ethical Management and Guidelines for Conduct" and the results of its implementation had be disclosed on the Company websites. Yageo publishes its ethical corporate management policies in internal website where employees have access to, and material amendments to the policies are communicated through emails.	None
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation. Yageo had established "Procedures for Ethical Management and Guidelines for Conduct" in 2020 and approved by the Board of Directors, and has complied with relevant laws and regulations and the spirit of integrity operation principle. There is no material discrepancy so far.				
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies). The Board of Directors approved the "Procedures for whistle-blowing system" on November 10, 2020, which had been disclosed on the Company websites.				

3.4.8 If the company has adopted corporate governance best-practice principles or related bylaws, disclose how these are to be searched: The Company's website has a corporate governance area for investors to inquire, download, and published on MOPS.

3.4.9 Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance may also be disclosed: None.

3.4.10 The section on the state of implementation of the company's internal control system shall furnish the following

3.4.10.1 A Statement on Internal Control:

Yageo Corporation

Statement of Internal Control System

As of March 14, 2023

Based on the findings of a self-assessment, Yageo states the following with regard to its internal control system during the year 2022：

I. The company's Board of Directors and Management are responsible for establishing, implementing, and maintaining an adequate internal control system, and the company has established such a system. Our internal control system is designed to provide reasonable assurance over the effectiveness and efficiency of operations (including profitability, performance, and safeguarding of assets), reliability, timeliness, transparency of reporting, and compliance with applicable laws and regulations.

II. The internal control system has its inherent limitations. No matter how perfectly designed, an effective internal control system can only provide reasonable assurance of accomplishment the objectives mentioned above. Furthermore, the effectiveness of the internal control system may be subject to changes due to circumstances beyond control. Nevertheless, the internal control system of the company contains self-monitoring mechanisms, and the company takes immediate remedial actions in response to any identified deficiencies.

III. The company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (herein below, the "Regulations"). The criteria adopted by the Regulations identify five components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component further contains several items. Please refer to the Regulations for details.

IV. The company has evaluated the design and operation effectiveness of its internal control system according to the aforesaid criteria.

V. Based on the findings of the evaluation mentioned in the preceding paragraph, the company believes that, on December 31, 2022, it has maintained, in all material respects, and effective internal control system (that includes the supervision and management of subsidiaries), to provide reasonable assurance over operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable laws and regulations.

VI. This Statement will be an integral part of the company's annual report and prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Article 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This Statement has been passed by the Board of Directors in their meeting on March 14, 2023, with all of the 9 attending directors all affirming the content of this Statement.

Yageo Corporation
Chairman: Tie-Min Chen
General Manager: Deng-Rue Wang

3.4.10.2 Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: None

3.4.11 For the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, disclose any sanctions imposed in accordance with the law upon the company or its internal personnel, any sanctions imposed by the company upon its internal personnel for violations of internal control system provisions, principal deficiencies, and the state of any efforts to make improvements: None.

3.4.12 Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

A. Major Resolution of Annual General Meeting

Time: Wednesday 9:00 a.m. on June 8, 2022

Place: Conference Room B, THE PENG'S AGORA GARDEN - XINDIAN
2F., No. 219, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City 231, Taiwan

The resolutions reached in the shareholders' meeting and their implementations are as follows:

(1) The acknowledgement of the 2021 Closing Accounts.
Implementation: Resolved and acknowledged.

(2) The acknowledgement of the Company's Articles of Incorporation amendment.
Implementation: The Ministry of Economic Affairs approved on September 15, 2022.

(3) The acknowledgement of the Operational Procedures for Acquisition and Disposal of Assets.
Implementation: Resolved and acknowledged.

(4) The acknowledgement of capital reduction plan.
Implementation: The Ministry of Economic Affairs approved on September 15, 2022.

B. Major Resolution of Board Meetings

Date	Major resolutions
2022-01-04	1. Approval of adjust the number of shares to be issued upon the share swap between Yageo and Chilisin Electronics Corp.
2022-03-17	1. Approval of the 2021 consolidated financial statements. 2. Approval of year 2021 business report. 3. Approval of the distribution of 2021 earnings. 4. Approval of the adjustment of capital structure. 5. Approval of the 2021 distribution of remuneration to employees and remuneration to Directors. 6. Approval of the Company's Articles of Incorporation amendment. 7. Approval of the schedule and agenda for year 2022AGM.
2022-04-26	1. Approval of the 2022Q1 consolidated financial statements. 2. Approval of replacement of CPA. 3. Approval of the buy back ordinary shares..
2022-05-20	1. Approval of the capital injection in XSemi Corp.。
2022-07-11	1. Approval of the Treasury Shares.
2022-07-28	1. Approval of record date for Capital Reduction.
2022-08-11	1. Approval of the 2022Q2 consolidated financial statements.
2022-08-30	1. The Company will acquire Heraeus Nexensos in cash through a 100% of subsidiary in Singapore.

Date	Major resolutions
2022-09-13	1. Approval of record date of replacement of shares and the plan for capital reduction and replacement of shares. 2. Approval of record date for Treasury Shares.
2022-10-27	1. The Company will acquire Schneider Electric's industrial sensors business, Telemecanique Sensors, in cash through the establishment of a new 100%-owned French subsidiary.
2022-11-10	1. Approval of the 2022Q3 consolidated financial statements. 2. Approval of earnings distribution for the first half year of 2022. 3. Approval of CPAs appointment.
2023-03-14	1. Approval of the 2022 consolidated financial statements. 2. Approval of year 2022 business report. 3. Approval of the distribution of 2022 earnings. 4. Approval of the 2022 distribution of remuneration to employees and remuneration to Directors. 5. Approval of the 2023 employee restricted stock awards. 6. Approval of the schedule and agenda for year 2023AGM 7. Approval of the Company's Articles of Incorporation amendment.
2023-04-25	1. Approval of the 2022Q1 consolidated financial statements.

3.4.13 Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None

3.4.14 A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's chairman, general manager, principal accounting officer, principal financial officer, chief internal auditor, corporate governance officer, and principal research and development officer: None

3.5 Information on CPA professional fees:

Accounting Firm: Deloitte & Touche

Name of CPA: Yung-Hsiang Chao and Cheng-Tsai Tsai

Period Covered by CPA's Audit: Jan. 01, 2022 ~ Dec. 31, 2022

Item	Audit Fee	Non-audit Fee	Total	Remarks
Fee Amount	24,062	0	240,062	

3.5.1 When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.

3.5.2 When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 15 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefore shall be disclosed: None.

3.6 Information on replacement of certified public accountant:

3.6.1 Regarding the former certified public accountant:

<table>
<tr><td>Date of Change</td><td colspan="4">Approved by BOD on April 26, 2022</td></tr>
<tr><td>Reasons and Explanation of Changes</td><td colspan="4">In compliance with regulatory requirements on rotation, the co-signing partner Cheng-Tsai Tsai will be replaced by Ching-Hsia Chang starting from 2022. The engagement partner will remain to be Yung-Hsiang Chao.</td></tr>
<tr><td rowspan="3">State Whether the Appointment is Terminated or Rejected by the Consignor or CPAs</td><td colspan="2">Client / Status</td><td>CPA</td><td>Consignor</td></tr>
<tr><td colspan="2">Appointment terminated automatically</td><td colspan="2" rowspan="2">Not available</td></tr>
<tr><td colspan="2">Appointment rejected (discontinued)</td></tr>
<tr><td>The Opinions Other than Unmodified Opinion Issued in the Last Two Years and the Reasons for the Said Opinions</td><td colspan="4">None</td></tr>
<tr><td rowspan="6">Is There Any Disagreement in Opinion with the Issuer</td><td rowspan="4">Yes</td><td></td><td colspan="2">Accounting principle or practice</td></tr>
<tr><td></td><td colspan="2">Disclosure of financial statements</td></tr>
<tr><td></td><td colspan="2">Auditing scope or procedures</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
<tr><td>No</td><td colspan="3">V</td></tr>
<tr><td colspan="4">Explanation</td></tr>
<tr><td>Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4~7 of the Standards)</td><td colspan="4">None</td></tr>
</table>

3.6.2 Regarding the successor certified public accountant:

Accounting Firm	Deloitte & Touche
CPA	Yung-Hsiang Chao and Ching-Hsia Chang
Date of Engagement	Approved by BOD on April 26, 2022
Prior to the Formal Engagement, Any Inquiry or Consultation on the Accounting Treatment or Accounting Principles for Specific Transactions, and the Type of Audit Opinion that Might be Rendered on the Financial Report	None
Written Opinions from the Successor CPAs that are Different from the Former CPA's Opinions	None

3.6.3 The reply of former CPAs on Article 10.6.1 and Article 10.6.2.3 of the Standards: None.

3.7 Where the Company's Chairman, General Manager, or Officers in charge of Finance or Accounting matters has in the most recent year held a position at the Accounting Firm of its Certified Public Accountant or at an Affiliated Enterprise of such Accounting Firm: None

3.8 Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the Annual Report) by a Director, Managerial Officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year

up to the date of publication of the Annual Report:

3.8.1 Changes in equity:

Title	Name	2022		As of March. 31, 2023	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Tie-Min Chen	(7,411,429)	(2,204,902)	-	-
Director	Hsu Chang Investment Ltd	(820,106)	(641,720)	-	-
Vice President	Chris Yang	(39,319)	(25,390)	-	-
Spouse of Vice President	SIOU-CIN SONG	15,918	-	-	-
Vice President	C.T Lee	(6,943)	-	-	-
Spouse of Vice President	Tzu-Yi Wu	413	-	-	-

3.8.2 Shares Trading with Related Parties: None

3.8.3 Shares Pledge with Related Parties: None

3.9 Relationship information, if among the Company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another

Name	Current Shareholding		Spouse's/ minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Tie-Min Chen	29,589,231	7.00	0	0	0	0	None	None	None
CTBC BANK CO., LTD IN CUSTODY FOR PRC HOLDING LIMITED	27,900,000	6.60	0	0	0	0	None	None	None
CTBC BANK CO., LTD IN CUSTODY FOR Dominant Investment Holdings Ltd.	27,850,961	6.59	0	0	0	0	None	None	None
Nan Shan Life Insurance Co., Ltd.	10,342,109	2.45	0	0	0	0	None	None	None
Representatives Chong-Yao Yin	0	0	0	0	0	0	None	None	None
Taishin International Bank IN CUSTODY FOR Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	10,321,451	2.44	0	0	0	0	None	None	None
MEGA INTERNATIONAL COMMERCIAL BANK CO. LTD. ACTING AS CUSTODAIN FOR THE INVESTMENT ACCOUNT OF WHOLLY GROUP JAPAN III LIMITED	10,084,861	2.38	0	0	0	0	None	None	None
Fidelity Funds	5,832,000	1.38					None	None	None
VANGUARD EMERGING MARKETS STOCK INDEX FUND A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	5,462,925	1.29							
Cathay Life Insurance Company, Ltd.	5,351,434	1.26	0	0	0	0	None	None	None
	0	0	0	0	0	0	None	None	None
JPMorgan Chase Bank N.A. Taipei Branch in custody for Vanguard Total International Stock Index	5,157,998	1.22	0	0	0	0	None	None	None

Note 1: Illustrate the name of the Top-10 shareholders; also, illustrate separately the name of the institutional shareholder and its representative.

Note 2: The shareholding ratio is calculated by referring to the shares held by the Principal, the Principal's spouses and underage children, or by nominee agreement.

Note 3: Disclose the relationship among shareholders referred to above, including the juristic person and natural person.

3.10 The total number of shares and total equity stake held in any single enterprise by the Company, its Directors, Managers, and any Companies controlled either directly or indirectly by the Company

As of March 31, 2023 Unit: thousand shares/ %

Affiliated Enterprises	Ownership by the Company		Direct Ownership by Directors/Managers and Indirect by the Company		Total Ownership	
	Shares	%	Shares	%	Shares	%
Yageo Holding (Bermuda) Ltd.	17,411	100.00	-	-	17,411	100.00
Kuo-Shin Investment Ltd.	89,300	100.00	-	-	89,300	100.00
Brightking Holding Ltd.	45,608	100.00	-	-	45,608	100.00
Yageo Corporation (South Asia)	-	100.00	-	-	-	100.00
Yageo Europe Holding B.V.	622,269	100.00	-	-	622,269	100.00
Yageo South Asia (M) Sdn. Bhd.	-	100.00	-	-	-	100.00
Pulse Electronics Corporation	25,574	100.00	-	-	25,574	100.00
Yageo Holding Hungary LLC	-	100.00	-	-	-	100.00
Chilisin Electronics Corp.	316,721	100.00	-	-	316,721	100.00
Yageo USA (H.K) Ltd.	-	100.00	-	-	-	100.00
Global Testing Corporation Ltd.	8,232	23.58	2,465	7.04	13,267	30.62
KAIMEI ELECTRONIC CORP.	6,500	5.98	1,596	1.47	8,096	7.45
Strong Components Co., Ltd. Strong Components Co., Ltd.	6,530	31.42	-	-	6,530	31.42
XSemi Corporation	1,190,000	35.00	331,000	17.33	1,521,000	52.33
Yageo (Hong Kong) Ltd.	-	-	1,030,499	100.00	1,030,499	100.00
Vitrohm Holding GmbH	-	-	-	100.00	-	100.00
Yageo Korea	-	-	-	100.00	-	100.00
Yageo Japan	-	-	-	100.00	-	100.00
Hsu Tai International (H.K) Co., Ltd.	-	-	1	100.00	1	100.00
Brightking Enterprise (H.K.) Co., Ltd	-	-	153,968	100.00	153,968	100.00
Egston Holding GmbH	-	-	-	100.00	-	100.00
Ruiyi Technology (HongKong) Share Co., Ltd	-	-	18,000	30.00	18,000	30.00
Yageo Electronics Holding (S) PTE. LTD.	-	-	622,269	100.00	622,269	100.00
Yageo Electronics Investment (S) PTE. LTD.	-	-	415,000	100.00	415,000	100.00
Ko-E Holding (Cayman) Ltd.	-	-	6,801	97.15	6,801	97.15
Ko-E (Hong Kong) Ltd.	-	-	-	100.00	-	100.00
Ko-E Electronics Trade Co., Ltd.	-	-	-	100.00	-	100.00
Ko-E Electronic (Hong Kong) Limited	-	-	5,000	100.00	5,000	100.00
Ko-E Component Co., Ltd.	-	-	12,939	100.00	12,939	100.00
Yageo Holding Netherlands B.V.	-	-	-	100.00	-	100.00

Affiliated Enterprises	Ownership by the Company		Direct Ownership by Directors/Managers and Indirect by the Company		Total Ownership	
	Shares	%	Shares	%	Shares	%
KEMET Corporation	-	-	1	100.00	1	100.00
KEMET Electronics Corporation	-	-	1	100.00	1	100.00
TOKIN Corporation	-	-	467,866	100.00	467,866	100.00
NT Sales Co., Ltd.	-	-	264	33.00	264	33.00
Nippon Yttrium Co., Ltd	-	-	240	30.00	240	30.00
Chilisin International Ltd.	-	-	220,000	100.00	220,000	100.00
Chilisin Holding (Samoa) Ltd.	-	-	7,280	100.00	7,280	100.00
Chilisin Asia Investment Limited	-	-	360	100.00	360	100.00
Chilisin Holding (Hong Kong) Limited	-	-	85,000	94.15	85,000	94.15
Ferroxcube International Holding B.V.	-	-	-	100.00	-	100.00
Mag. Layers Scientific-Technics Co., Ltd.	-	-	112,161	100.00	112,161	100.00
Magic Technology Co., Ltd.	-	-	68,238	100.00	68,238	100.00
Bothhand Enterprise Inc.	-	-	88,514	100.00	88,514	100.00
Chilisin Holding (Hong Kong) Limited	-	-	5,280	5.85	5,280	5.85
Chilisin Electronics (Vietnam) Limited	-	-	102,000	100.00	102,000	100.00
Chilisin America Ltd.	-	-	200	100.00	200	100.00
Ferroxcube Italia S.r.l.	-	-	-	100.00	-	100.00
Ferroxcube Deutschland GmbH	-	-	-	100.00	-	100.00
Ferroxcube USA Inc.	-	-	-	100.00	-	100.00
Hispano Ferritas S.A.	-	-	-	100.00	-	100.00
Ferroxcube Polska Sp. Z.o.o.	-	-	-	100.00	-	100.00
Ferroxcube Hong Kong Limited	-	-	-	100.00	-	100.00
Mag Layers International Co., Ltd.	-	-	24,500	100.00	24,500	100.00
Mag. Layers USA, Inc.	-	-	-	65.00	-	65.00
Magic Technology (Samoa) Co., Ltd.	-	-	-	100.00	-	100.00
Classic Magic Developments Limited (Samoa)	-	-	-	100.00	-	100.00
Trendy Island Investment Limited	-	-	-	100.00	-	100.00
E-HENG Technology Co., Ltd. (note 1)	-	-	-	-	-	-
Bothhand International Investment Co., Ltd.	-	-	1,000	100.00	1,000	100.00
Yageo Electronics (Dongguan) Co., Ltd.	-	-	-	100.00	-	100.00
Yageo Electronics (China) Co., Ltd.	-	-	-	100.00	-	100.00
Yageo Components (Suzhou) Co., Ltd.	-	-	-	100.00	-	100.00
Yageo (Suzhou) Trade Co., Ltd.	-	-	-	100.00	-	100.00
Ko-E Technology (Shenzhen) Co., Ltd.	-	-	-	97.15	-	97.15
Bestbright Electronics Co., Ltd.	-	-	-	100.00	-	100.00
Brightking (Shenzhen) Co., Ltd.	-	-	-	100.00	-	100.00
Brightking (Shanghai) Co., Ltd.	-	-	-	100.00	-	100.00

Affiliated Enterprises	Ownership by the Company		Direct Ownership by Directors/Managers and Indirect by the Company		Total Ownership	
	Shares	%	Shares	%	Shares	%
Brightking (Beijing) Co., Ltd. (note 2)	-	-	-	-	-	-
Yageo Components (Jiashan) Co, Ltd.	-	-	-	100.00	-	100.00
Pulse Electronics (Dongguan) Co., Ltd.	-	-	-	100.00	-	100.00
Mian Yang Pulse Electronics Co., Ltd.	-	-	-	100.00	-	100.00
Suining Pulse Electronics Co., Ltd.	-	-	-	100.00	-	100.00
Pulse (Suzhou) Wireless Products Co., Ltd.	-	-	-	100.00	-	100.00
Pulse Electronics (ShenZhen) Co., Ltd	-	-	-	100.00	-	100.00
EGSTON Electronics Zhuhai Ltd	-	-	-	100.00	-	100.00
KEMET Electronics (Suzhou) Co., Ltd.	-	-	-	100.00	-	100.00
Shanghai Arcotronics Components& Machineries Co., Ltd.	-	-	-	100.00	-	100.00
KEMET Jianghai Electronics Components Co., Ltd	-	-	-	50.00	-	50.00
TOKIN Electronics (Xiamen) Corporation	-	-	-	100.00	-	100.00
Dongguan Chilisin Electronics Co., Ltd.	-	-	-	100.00	-	100.00
Dongguan CNA Electronics Co., Ltd.	-	-	-	50.00	-	50.00
Dongguan Lianmao Electronics Co., Ltd. (Note 14)	-	-	-	100.00	-	100.00
Suzhou Qiyixin Electronics Co., Ltd.	-	-	-	100.00	-	100.00
Hunan Chilisin Electronics Technology Co., Ltd.	-	-	-	100.00	-	100.00
Shenzhen Chilisin Electronics Co., Ltd.	-	-	-	100.00	-	100.00
Yuanling Country Xianghua Electronic Technology Co., Ltd.	-	-	-	49.90	-	49.90
Mag. Layers International Co., Ltd.	-	-	-	100.00	-	100.00
Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	-	-	-	100.00	-	100.00
Ferroxcube Electronics (Dongguan) Limited	-	-	-	100.00	-	100.00
Magic Electronic Technology (Shenzhen) Co., Ltd.	-	-	-	100.00	-	100.00
Magic Trade (Shenzhen) Co., Ltd.	-	-	-	100.00	-	100.00
Magic Electronic Technology (Hunan) Co., Ltd.	-	-	-	100.00	-	100.00
Magic Electronic Technology (Chongqing) Co., Ltd.	-	-	-	100.00	-	100.00
Guangzhou Bothhand Electronics Co., Ltd.	-	-	-	100.00	-	100.00
Deyang Bothhand Electronics Co., Ltd.	-	-	-	100.00	-	100.00
Guangzhou Chenghan Electronic Technology Co., Ltd.	-	-	-	100.00	-	100.00
Deyang Shisheng Electronics Co., Ltd.	-	-	-	100.00	-	100.00
Deyang Hongyi Electronics Co., Ltd.	-	-	-	51.00	-	51.00

Note 1: E-HENG Technology Co., Ltd. had been dissolved and liquidated in the first quarter of 2022.
Note 2: Brightking (Beijing) Co., Ltd. had been dissolved and liquidated in January 2023.

IV. Information on Capital Raising Activities

4.1 Capital and shares

4.1.1 Source of capital stock

As of April 08, 2023

Month/ Year	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT$)	Shares	Amount (NT$)	Sources of Capital (NT$)	Capital Increased by Assets Other than Cash	Other
03,2021	10	4,000,000,000	40,000,000,000	496,984,043	4,969,840,430	Conversion of Option 40,765	-	Note 1
05,2021	10	4,000,000,000	40,000,000,000	498,883,857	4,988,838,570	Conversion of Option 1,899,814	-	Note 1
08,2021	10	4,000,000,000	40,000,000,000	495,918,857	4,959,188,570	Cancellation of Treasury stock 2,965,000	-	Note 2
03,2022	10	4,000,000,000	40,000,000,000	543,698,169	5,436,981,690	Capital increase of 47,779,312 by issue new shares for the share swap deal with Chilisin Electronics Corp.	-	Note 3
06,2022	10	4,000,000,000	40,000,000,000	544,060,005	5,440,600,050	Conversion of Option 4,004 Chilisin CB 357,832	-	Note 4&5
09,2022	10	4,000,000,000	40,000,000,000	436,048,805	4,360,488,050	Capital reduction 108,011,200	-	Note 6
09,2022	10	4,000,000,000	40,000,000,000	421,260,805	4,212,608,050	Cancellation of Treasury stock 14,788,000	-	Note 7&8
03,2023	10	4,000,000,000	40,000,000,000	421,454,233	4,214,542,330	Chilisin CB 193,428	-	Note 7

Note 1： Approval Document No.: The 09 May 2014 Letter No. Financial-Supervisory-Securities-1030016332 of the Securities and Futures Bureau of the Financial Supervisory Commission, Executive Yuan.
Note 2： Approval Document No.: The 20 September 2018 Letter No. Financial-Supervisory-Securities-1070335897 of the Securities and Futures Bureau of the Financial Supervisory Commission, Executive Yuan.
Note 3： Approval Document No.: The 25 October 2021 Letter No. 1101805504 of the Taiwan Stock Exchange Corporation.
Note 4： Approval Document No.: The 16 April 2015 Letter No. Financial-Supervisory-Securities-1040012489 of the Securities and Futures Bureau of the Financial Supervisory Commission, Executive Yuan.
Note 5： Approval Document No.: The 20 August 2019 Letter No. Financial-Supervisory-Securities-1080325757 of the Securities and Futures Bureau of the Financial Supervisory Commission, Executive Yuan.
Note 6： Approval Document No.: The 6 July 2022 Letter No. 1110011887 of the Taiwan Stock Exchange Corporation.
Note 7： Approval Document No.: The 21 June 2022 Letter No. Financial-Supervisory-Securities-1110347528 of the Securities and Futures Bureau of the Financial Supervisory Commission, Executive Yuan.
Note 8： Approval Document No.: The 16 September 2022 Letter No. Financial-Supervisory-Securities-1110357025 of the Securities and Futures Bureau of the Financial Supervisory Commission, Executive Yuan.

As of April 08, 2023

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common Stock	422,107,171	3,577,892,829	4,000,000,000	Listed company stocks

4.1.2 Shareholder structure:

As of April 08, 2023

Item	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	2	135	384	112,655	940	114,116
Shareholding (shares)	2,299,782	51,226,145	22,482,873	153,026,275	193,072,096	422,107,171
Percentage	0.54%	12.13%	5.33%	36.25%	45.75%	100.00%

4.1.3 Diffusion of ownership:

As of April 08, 2023

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	87,333	23,368,097	5.54%
1,000 ~ 5,000	22,325	44,597,178	10.57%
5,001 ~ 10,000	2,295	16,552,820	3.92%
10,001 ~ 15,000	683	8,329,780	1.97%
15,001 ~ 20,000	393	6,815,864	1.61%
20,001 ~ 30,000	298	7,237,596	1.71%
30,001 ~ 40,000	174	6,106,234	1.44%
40,001 ~ 50,000	89	4,003,133	0.95%
50,001 ~ 100,000	216	15,390,878	3.65%
100,001 ~ 200,000	126	18,017,764	4.27%
200,001 ~ 400,000	87	24,255,152	5.75%
400,001 ~ 600,000	24	12,359,422	2.93%
600,001 ~ 800,000	16	11,341,921	2.69%
800,001 ~ 1,000,000	15	13,342,119	3.16%
1,000,001 or over	42	210,389,213	49.84%
Total	114,116	422,107,171	100.00%

4.1.4 List of major shareholders: Please refer to “3.6 Relationship among the Top Ten Shareholders” of the Annual report.

4.1.5 Market Price, Net Worth, Earnings, and Dividends per Share for the past 2 fiscal years

Unit: NT$

Items	2021	2022	As of March 31, 2023
Market Price per Share			
Highest Market Price	644.00	538.00	579.00
Lowest Market Price	393.50	262.00	446.00
Average Market Price	529.36	400.39	526.18
Net Worth per Share			
Before Distribution	161.44	290.67	289.71
After Distribution	151.34	280.67	-
Earnings per Share			
Weighted Average Shares (thousand shares)	495,171	514,008	417,342
Diluted Earnings Per Share	46.13	44.22	9.90
Adjusted Diluted Earnings Per Share	-	-	-
1ividends per Share			
Cash Dividends	10.10281345	10 (Note 6)	-
Stock Dividends			
– Dividends from Retained Earnings	-	-	-
– Dividends from Capital Surplus	-	-	-
Accumulated Undistributed Dividends	-	-	-
Return on Investment			
Price / Earnings Ratio (Note 1)	11.48	9.05	NA
Price / Dividend Ratio (Note 2)	52.40	40.04	NA
Cash Dividend Yield Rate (Note 3)	1.9%	2.5%	NA

Note 1: Source: Taiwan Stock Exchange
Note 2: According to the number of shares issued at the end of the year and according to the situation of the Board of Directors 'resolution. Year 2022 earnings distribution approved by Board of Directors in March 14, 2023.
Note 3: Price / Earnings Ratio = Average Market Price / Earnings per Share
Note 4: Price / Dividend Ratio = Average Market Price / Cash Dividends per Share
Note 5: Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price

4.1.6 Company's dividend policy and implementation thereof:

A. Dividend Policy

If there is profit generated for the year, the Company shall set aside not less than 2% employee compensation and not more than 3% compensation for the directors. But if there are accumulated losses, the Company shall have reserved a sufficient amount to offset its accumulated losses.
If the Company made a profit for the year, the Company must pay tax and make up for the accumulated losses first, also share the remaining profit as follows:
I. Set aside 10% of the earnings as legal reserve. However, when the legal reserve amount equals to the paid-in capital of the Company, it is not subject or such restriction.
II. Set aside or reverse special reserve in accordance with the relevant laws and regulations.
III. Pay dividends or bonuses for an amount not less than 10% of the amount net of the legal reserve and special reserve as stipulated in the preceding paragraph. The Board of Director shall prepare the earnings distribution proposal for the resolutions of the shareholders meeting. However, if the earnings distribution proposal is for the distribution of dividend and bonus in cash entirely or partially, it shall be resolved by the Board of Directors with the attendance of more than two-thirds of the directors and the consent of the majority of attending directors; also, it shall be reported in the shareholders meeting.
The Company's dividend distribution policy should be based on shareholders' equity and the current and future industrial competition faced by the Company, the investment environment, and fund demand. The Board of Directors is authorized to propose the distribution ratio of cash and stock dividend, and has it resolved according to the legal procedures. Earnings of corporation as employee compensation may be distributed by way of stock dividend as stated in the preceding paragraphs that also include the employees of subsidiaries. Earnings of corporation shall be allocated according to the resolutions of the Board of Directors.
If the Company has no loss, the legal reserve and the Company's additional paid-in capital as stipulated in Paragraph 1, Article 241 of the Company Law can be distributed to the shareholders proportionally according to the resolution of the Board of Directors with the attendance of more than two-thirds of the directors and the consent of the majority of attending directors; also, it shall be reported in the shareholders meeting.

B. Proposed Distribution of Dividend

(1) For the Company's future working capital needs, Board of Directors resolved no dividend distribution for the first half year of 2022 on November 10, 2022.

(2) 2022 net profit is NT$ 22,730,465,429. The total amount of items other than net profit after tax in the current period after being included in the undistributed

surplus for the current year is NT$18,923,303,322. After setting aside the legal reserve of NT$ 1,892,330,332, appropriating special reserve of NT$ 9,300,817,875, and then adding undistributed beginning retained earnings of NT$ 37,755,417,890, the retained earnings available for distribution are NT$ 64,087,208,755, of which, NT$ 4,186,652,660 will be distributed as cash dividends to shareholders, approximately NT$ 10 per share.

(3) The cash dividend is issued to the rounded full NT dollar, and any distributed amounts less than NT$1 will be transferred to the Company's other revenues.

(4) In the event that, before the distribution record date, the proposed earnings distribution of cash dividends per share is affected by an amendment by the competent authorities, or the number of actual shares outstanding, the Chairman be authorized to handle matters related to the changes. The dividend distribution of 2022 has been approved by the Boards of Directors on March 14, 2023.

Yageo Corporation
Earnings Distribution Proposal
Year 2022

Item	Amount (In NTD)
Undistributed retained earnings, beginning	37,755,417,890
2022 Net profit	22,730,465,429
Less : Disposal of investments in equity instruments designated at fair value through other comprehensive income	(589,294)
Add : Recognize the remeasurements of defined benefit plans in retained earnings	293,794,470
Less : Cancellation of treasury stock	(3,735,222,293)
Less : capital reduction is debited to retained earnings.	(365,144,990)
Total amount of net profit for the period and other profit items adjusted to the current year's undistributed retained earnings	18,923,303,322
Less : 10% Legal reserve	(1,892,330,332)
Add : Special reserve	9,300,817,875
Total retained earnings available for distribution	64,087,208,755
Appropriations:	
Common share dividend - Cash	(4,186,652,660)
Undistributed retained earnings, end	59,900,556,095

Note: There is no dividend distribution for the first half year of 2022.

Chairman: Tie-Min Chen

CEO: Deng-Rue Wang

Chief Accounting Officer: Kevin Yang

4.1.7 Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting: None

4.1.8 Compensation of employees and directors:

A. The percentages or ranges with respect to employee, director, and supervisor compensation, as set forth in the company's articles of incorporation: Please refer to "4.1.6.1. Dividend Policy" of the Annual report.

B. The basis for estimating the amount of employee and director compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:
For the earnings distribution resolved in the shareholders' meeting, if the amount of the employee compensation and remuneration to directors is changed, the amount of difference should be handled in accordance with changes in accounting estimates and booked in the profit and loss of the following year without affecting the financial report that had already been acknowledged.

C. Information on any approval by the board of directors of distribution of compensation:
(a) In accordance to the authority's regulations and Company's Articles of Incorporation to set aside not less than 2% of pre-tax income before deduction of employees' compensation and remuneration to directors for employee compensation, and not more than 3% for director remuneration. Employees' compensation of 2021 is NT$766,475,634 (3%), and remuneration to directors is NT$766,475,634 (3%), based on pre-tax income before deduction of employees' compensation and remuneration to directors. Both are paid in cash.
(b) If the amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: NA.

D. The actual distribution of employee and directors compensation for the previous fiscal year:
The actual distribution of compensation for employees and directors were in line with the resolution of the Board of Directors.

4.1.9 Buyback of Common Stock (Completed Share Buyback Program)

As of March 31, 2023

The number of times	15th Buyback	16th Buyback
Purpose	For the shareholders' interests	
Repurchase period	2022-04-27~2022-06-16	2022-07-13~2022-09-07
Price range	NT$ 280.0~628.0	NT$ 304.0~531.0
Repurchase types and number of shares	5,500,000 common shares	9,288,000 common shares
Repurchase Amount	NT$ 2,172,957,155	NT$ 2,999,458,242
Ratio of the repurchase quantity to the expected quantity	65.89%	84.44%
Canceled and transferred	5,500,000 common shares	9,288,000 common shares
Cumulative shares held (Note)	3,183,699 common shares	3,183,699 common shares
Ratio of cumulative shares held of total company's shares issued	0.74%	0.74%

Note: The original number of repurchased shares was 4,000,000 common shares, and the number of repurchased shares was reduced due to the cash capital reduction on October 25, 2012.4.2 Status of corporate bonds:

4.2.1 Information on corporate bonds

As of March 31, 2023

Item		5th unsecured overseas convertible bonds	Chilisin - 6th unsecured convertible bonds (note)	2021 1st unsecured corporate bond
Date of Issuance		May 26, 2020	Sep. 12, 2019	May 3, 2021
Denomination		US$200,000	NT$100,000	NT$1,000,000
Trading Market		Singapore Exchange	Taipei Exchange	Taipei Exchange
Issue Price		100% of par value	100% of par value	100% of par value
Total Issuance Amount		US$180,000,000	NT$847,800,000	NT$5,500,000,000
Coupon Interest		0%	0%	Fixed rate 0.68% per annum
Issue Period		5 years, due date on May 26, 2025	5 years, due date on Sep 12, 2024	5 years, due date on May 3, 2026
Guarantor(s) for the issuance		None	None	None
Trustee		Citigroup International Ltd	Taipei Fubon Bank Co., Ltd.	CTBC Bank Co., Ltd.
Underwriter		Citigroup International Ltd	KGI Securities Co., Ltd.	Yuanta Securities Co., Ltd.
Legal counsel		Baker & McKenzie	Handsome Attomeys-at-Law Offices, Ya-Wun Ciou.	True Honesty International Law Offices, Hui-Ch Kuo.
Certifying CPAs		Deloitte & Touche Yung-Hsiang Chao	Deloitte & Touche Jr Shian Ke, Yung-Hsiang Chao	Deloitte & Touche Yung-Hsiang Chao
Redemption		On due date, the bonds will be redeemed in whole	On due date, the bonds will be redeemed in whole	On due date, the bonds will be redeemed in whole
Outstanding balance		US$180,000,000	NT$181,200,000	NT$5,500,000,000
Early repayment clause		Please refer to the Procedures for Issuance and Conversion of Yageo's domestic unsecured convertible bonds.	Please refer to the Procedures for Issuance and unsecured convertible bonds.	None
Covenants		None	None	None
Credit rating agency, rating date, company credit rating		None	None	Taiwan Ratings Corporation, 2021-03-02, twA+
Ancillary rights	Amount converted/ exchanged into common shares, ADRs or other securities	USD 0	NT$666,600,000 1,204,198 common shares	Not applicable
	Rules governing issuance or conversion (exchanged or subscription)	Please refer to the Procedures for Issuance and Conversion of Yageo's domestic unsecured convertible bonds.	Please refer to the Procedures for Issuance and unsecured convertible bonds.	Not applicable
Dilution and other effects on shareholders' equity		If all the bonds are converted into common shares, the maximum share dilution would be 2.27%. There is no significant dilution and affects on shareholders' equity.	Not applicable	Not applicable
Custodian		Citibank, N.A., London Branch	None	Not applicable

Note: On January 5, 2022, acquired Chilisin Electronics Co., Ltd. through equity swap. There were 8,478-unit unconverted shares at the time of the equity swap. As of April 30, 2023, there were 1,812-unit unconverted shares.

Item		2021 2nd unsecured corporate bond-A	2021 2nd unsecured corporate bond-B	2022 1st unsecured corporate bond
Date of Issuance		Sep. 3, 2021	Sep. 3, 2021	Jan. 12, 2022
Denomination		NT$1,000,000		
Trading Market		Taipei Exchange		
Issue Price		100% of par value		
Total Issuance Amount		NT$1,000,000,000	NT$3,500,000,000	NT$4,500,000,000
Coupon Interest		Fixed rate 0.47% per annum	Fixed rate 0.60% per annum	Fixed rate 0.73% per annum
Issue Period		3 years, due date on Sep. 3, 2024	5 years, due date on Sep. 3, 2026	5 years, due date on Jan. 12, 2027
Guarantor(s) for the issuance		None		
Trustee		CTBC Bank Co., Ltd.		
Underwriter		Yuanta Securities Co., Ltd.		
Legal counsel		Handsome Attomeys-at-Law Offices, Ya-Wun Ciou.		
Certifying CPAs		Deloitte & Touche, Yung-Hsiang Chao		
Redemption		On due date, the bonds will be redeemed in whole		
Outstanding balance		NT$1,000,000,000	NT$3,500,000,000	NT$4,500,000,000
Early repayment clause		None		
Covenants		None		
Credit rating agency, rating date, company credit rating		Taiwan Ratings Corporation, 2021-04-12, twA+		
Ancillary rights	Amount converted/ exchanged into common shares, ADRs or other securities	Not applicable		
	Rules governing issuance or conversion (exchanged or subscription)	Not applicable		
Dilution and other effects on shareholders' equity		Not applicable		
Custodian		Not applicable		

4.2.2 Information of convertible bond:

		5th unsecured overseas convertible bonds		
Item \ Year		2021	2022	As of March 31, 2023
Market price of convertible bond	Highest	US$ 149.1	US$ 136.2	US$ 118.8
	Lowest	US$ 114.7	US$ 92.7	US$ 103.9
	Average	US$ 130.9	US$ 109.2	US$ 111.1
Conversion price		NT$ 460.33	NT$ 512.40	NT$ 512.40
Date of Issuance		May 26, 2020		
Conversion price at issuance		NTD 485.00		
Conversion method		Issuance of new shares		

4.2.3 Exchangeable bonds: None

4.2.4：Shelf registration issuance: None

4.2.5 Bonds with warrant: None

4.3 Preferred Stock: None

4.4 The section on global depository receipts:

As of March 31, 2023

Item \ Issue date			1994-09-26	2001-07-13	2020-04-17
Issuance and listing			LuxSE / LSE	LuxSE	LuxSE
Total amount			US$91,600,000	US$136,480,000	US$649,850,000
Unit issuing price			US$22.9	US$3.412	US$51.25
Units issued			5,000,000	40,000,000	12,680,000
Source of negotiable securities			The Company's common shares held by the original shareholders		
Amount of negotiable securities			25,000,000	200,000,000	63,400,000
Rights and obligations of GDR holders			Same as those of 5 common shares		
Trustee			None		
Depository bank			Citibank, N.A		
Custodian bank			Citibank, N.A		
Outstanding balance			24,218 unit		
Treatment of expenses incurred at issuance and thereafter			Issue cost: amortized by the issuing companies and shareholder participants according to the actual shares issued Expenses incurred after issuance: amortized by the issuing company		
Important conventions about depository and escrow agreement			The depositary institution performs the obligations for GDR holders, while the guarantee agency holds the GDR common shares.		
Market price per unit (USD)	2021	Highest	114.32		
		Lowest	71.53		
		Average	91.82		
	2022	Highest	96.90		
		Lowest	41.39		
		Average	66.17		
	As of March 31,2023	Highest	94.90		
		Lowest	75.80		
		Average	86.33		

4.5 The section on employee share subscription warrants: None

4.6 Employee stock options and new restricted employee shares: None

4.7 Shares issued for mergers and acquisitions: None

4.8 Capital utilization plan: None

V. Operational Highlights

5.1 Business Activities

5.1.1 Business Scope

A. Core Business: The Company is engaged in the R&D, manufacturing, and sales of passive and other electronic components and related production equipment.

B. Revenue distribution

Unit: NT$ thousands

Major Products	(%) of Total Sales in 2022
MLCC	20
Tantalum capacitors	22
Chip resistors	12
Magnetics	29
Other	17
Total	100

C. Current Product

(1) MLCC
(2) Tantalum capacitors
(3) Chip resistors
(4) Magnetics
(5) Other electronic components: sensors and actuators, and film and electrolytic capacitors.
(6) Related production machinery, raw materials and semi-finished goods of above products.

D. New Product Development Plan

(1) MLCC:
The three major factors of MLCC product are raw materials, production process and manufacturing machinery. As the Company is capable of producing high-end ceramic powder and metal pastes and is able to design and develop the key manufacturing process and machinery, it can effectively control the production cost and quality and ensure the production efficiency and high yield rate.
Through pursuing continuous optimization in manufacturing process, YAGEO maintains the leadership position among the MLCC suppliers in the Globe. The Company continues to develop product of high capacitance, high voltage, high reliability, and small size. The end applications are diversified, including consumer electronics, 5G, automotive, industrial, medical, and aerospace in order to meet customer needs.

(2) Tantalum capacitors
KEMET was established in 1919 and is a leading global supplier of high-end electronic components with a global footprint. KEMET's main product lines include ceramic capacitors, tantalum capacitors (number one in the world), electromagnetic and sensing elements, and thin film and electrolytic components.

KEMET has been investing over the long term in segments such as high-end automotive electronics, industrial, aerospace, healthcare, smartphone, cloud/network, wireless communication, green energy and 5G equipment. Holding more than 1,600 patents and trademarks worldwide, KEMET has established a leading position for its products via its advanced R&D, design-in and production capabilities.

Since the acquisition of KEMET, YAGEO's overall revenue by industry, product line, region and client has shown structural changes. The future operation will continue to focus on end applications in high-end 5G, automotive, industrial, aerospace and healthcare segments, which will help the Company maintain stable revenue and momentum of growth in profitability.

(3) Chip resistors:

YAGEO is in the leading position of advanced technologies and provides customer design-in services. The product portfolio includes high reliability, high power, small/large size and covers various end applications, including flagship smartphone and automotive and industrial use.

YAGEO's production capacity in high-precision thick film resistors is not only for small-size products, but also for the medium and large size products targeted at automotive and industrial markets. The Company provides a full range of products with all sizes to meet market demand. Meanwhile, the capacity of thin film resistors and current sensing resistors has also grown to a large extent and is expected to reach the world's number one after further technology breakthrough and successful product development given the strong demand for IOT, automotive and industrial applications.

(4) Magnetics

Pulse's main products include wireless components, high-end transformers, integrated connector modules, RF Chip inductors, power supplies and cable systems. Pulse has a long-term development in automotive electronics, industrial applications, wireless communications, networking equipment, and power management. Being a global brand for over 70 years, Pulse holds a leading position in its R&D and design-in capabilities in advanced 5G and EV (electric vehicle) technology with many patents worldwide. Its clients are all leading global brands and distributors in the abovementioned segments; it will further strengthen YAGEO's positioning in terms of industry, product line, region and client.

Chilisin is a professional manufacturer of inductor components, focusing on consumer electronics, mobile devices, and communication applications in the Greater China. Through the consolidation of Chilisin with YAGEO, YAGEO's product portfolio will not only be more comprehensive, Chilisin also will enter high-end markets in Europe, America and Japan through YAGEO's global channels, as well as premium segments such as automotive, industrial, medical, aerospace and 5G/IoT to create even higher value for customers, shareholders, and employees of both companies.

5.1.2 Industry Summary

A. Industry Status and Development

In February 2022, the Russia-Ukraine war caused high inflation and weak consumer demand for end applications, resulting in inventory correction from upstream component makers. In the long run, due to the impact of the Russia-Ukraine conflict, not only the price of raw materials has increased sharply, but also the energy supply in Europe has been directly affected. Therefore, Europe has accelerated the development of green energy and electric vehicles. The European Parliament officially approved a complete ban on the sale of fuel vehicles in the EU from 2035. In addition, U.S. President Biden signed the " Inflation Reduction Act (IRA)" in August 2022, which will provide a tax deduction of US$7,500 for each electric vehicle produced locally in North America. However, in order to get subsidies, not only the complete vehicle must be assembled in North America, but also the sources of batteries and battery raw materials are highly restricted. After IRA was promulgated, non-US companies accelerate investment in North American electric vehicle factories, and the global electric vehicle supply chains undergo drastic changes centered on North America.

The number of passive components used in electric vehicles is several times that of traditional fuel vehicles. Coupled with the promotion of electric vehicles from the governments in Europe and the United States, it will boost the operation of related passive component factories. In addition, KEMET is an important subsidiary of YAGEO based in the US, which can provide related products and services for North American electric vehicle manufacturers nearby.

B. The Supply Chain in Upstream, Midstream, and Downstream

Product	Upstream	Midstream	Downstream
MLCC	Ceramic Powder	Murata, SEMCO, Taiyo Yuden	Automotive, industrial, automation equipment, networking communication equipment, server, IoT networking, VR, smartphone, notebook, tablet, audio home appliance, and gaming machine.
	Electrode material		
Tantalum capacitors	Tantalum powder	AVX, Vishay, Panasonic	5G connectivity, automotive, power station, military, aerospace, medical, high-end PC NB, industrial, automation equipment, game console.
	Electrode material		
Resistors	Substrate	KOA, Rohm, Vishay	Automotive, industrial, automation equipment, networking communication equipment, server, IoT networking, VR, smartphone, notebook, tablet, audio home appliance, and gaming machine.
	Paste		
	Ink		
Magnetics	Iron ring core	TDK, Murata, Taiyo Yuden, Bel Fuse, Mentech, ICT TDK	Automotive, industrial, automation equipment, networking communication equipment, server, IoT networking, smartphone, notebook, tablet.
	Mechanism components		
	Electronic materials		

C. The Industry Development

(1) Smartphones, tablet computers, and portable electrical appliances, etc., promote the miniaturization of passive components for the convenience and diversification of functions, so that more components can be placed in a limited space.

(2) Electronic products require more low power consumption, energy saving and carbon reduction, so more passive components are needed to increase power efficiency.

(3) To embrace the 5G era, the storage, transmission, and calculation of information are not only large in volume, but also used by a large number of people at the same time, and must be reliable and without delay, so the demand for passive components has increased significantly.

(4) Electric vehicles and charging piles will drive the demand for more high-reliability passive components.

(5) The third-generation semiconductor materials will drive more passive components for high-frequency and high-voltage applications.

5.1.3 Technology and Research & Development Summary.

A. Research and Development Expenses in the past year

Unit: NT$ thousands

Item \ Year	2022	As of March 31, 2023
R&D Expenses	2,820,376	681,528

B. Successfully Developed Technology or Product

(1) Mini size and high compatible Class I and Class II MLCCs

(2) High voltage NPO and X7R MLCCs

(3) High reliability X5R, X6S, X7R, NPO, X8R, X8G MLCCs used in Automotives

(4) High frequency and high quality NPO MLCCs

(5) Soft termination MLCCs

(6) AS-series chip resistors with anti-sulfur and anti-surge for harsh environment

(7) Moisture & sulfur resistant, thin film, high precision RP-series chip resistor

(8) The first company in the industry to introduce Tantalum Polymer Capacitor used in automotives (according to AEC-Q200)

(9) The first company in the industry to launch Tantalum Polymer Capacitors with a temperature resistance of 150 degrees Celsius

5.1.4 Business Plan

A. Short Term Business Plan

(1) Continue to increase capacity utilization and yield rate to reduce production costs.

(2) Implement after-merger management and consolidation to expedite synergy.

(3) Strengthen matrix organization management to increase employee productivity.

B. Mid to Long Term Business Plan

(1) Strengthen overall deployment in the niche market.

(2) Improve product and terminal client mix.

(3) Offer electronic components a one-stop-shopping service.

(4) Expand market scales in European, American and Japanese high-end markets.
(5) Expand R&D and production scale in Taiwan.

In addition, while the Company continues to grow along with the abovementioned short- and long-term business plans, the Company does not rule out the possibility of forming a strategic alliance with other leading global companies to secure stable downstream business flow and upstream source of components for both parties, and of acquiring passive component company to achieve the Company's goal of continual growth.

5.2 Market, Production and Sales Review

5.2.1 Market Analysis

A. Sales Region

Year / Area	2018	2019	2020	2021	2022
Americas	4%	6%	11%	12%	15%
Asia Pacific	10%	26%	21%	15%	22%
Greater China	74%	48%	53%	54%	42%
Europe	12%	20%	15%	19%	21%

B. Market Strategy

(1) MLCC

The Company is devoted to the development of high capacitance, high voltage, small size (0201 or 01005) and SMD array products. The Company increases its capacity to be in line with MLCC market growth rate (10%-15% annually). MLCC production requires not only advanced manufacturing process but also chemical formulation. The technical development trend of MLCC is: miniaturized product, higher capacitance value, increase the voltage load capacity (up to 5KV) to meet the needs of the market.

(2) Tantalum capacitors

The Company is devoted to the development of high capacitance, high voltage, high temperature resistance, high humidity resistance, high reliability, and longer life for tantalum capacitors. Being the world's largest manufacturer of tantalum capacitors, with a market share of more than 46%, the Company has an excellent development position in high-end markets such as automotive, industrial, military, aerospace, medical, and high-end computers. With the continuous evolution and advancement of technology, the demand for high-capacitance and high-voltage will gradually increase. The Company will enhance and integrate technical capabilities, expand global distribution channels, strengthen marketing capabilities and brand competition.

(3) Magnetics

Focus on high-growth markets such as 5G technology, automotive electronics, industrial equipment's, cloud data centers, networking, and smartphones. The Company will continue to expand global distribution channels, strengthen brand competition and marketing capabilities, and actively increase production

automation technology, cost quality control to meet the needs for advanced products from global customers.

(4) Resistor

(a) Dedicated to the development of miniaturized product (01005), SMD array resistors (0201*4), and low ohmic current sensing resistor as these are the fast-growing new products.

(b) The Company is the number one chip resistor supplier in terms of capacity, and our technical team is committed to manufacturing process improvement and quality controls.

(c) Enhance product marketing, strengthen customer service and cooperation with key customers. Revenue and profit margin are stably growing.

C. Advantages and Disadvantages of Competitiveness

(1) Competitive Advantage

(a) Technology leadership position

(b) Global operations

(c) Provide one-stop-shopping service to customers

(d) Water solvent system in MLCC manufacturing process.

(2) Competitive Disadvantage

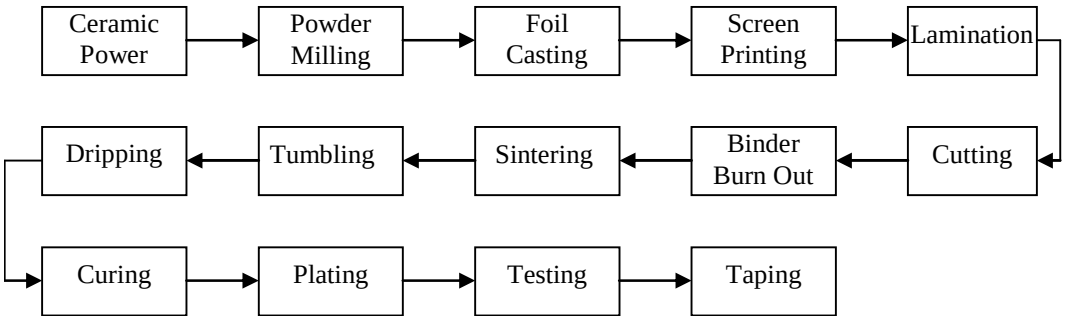
(a) Capacity expansion in the industry

(b) High cost of raw material (precious metal)

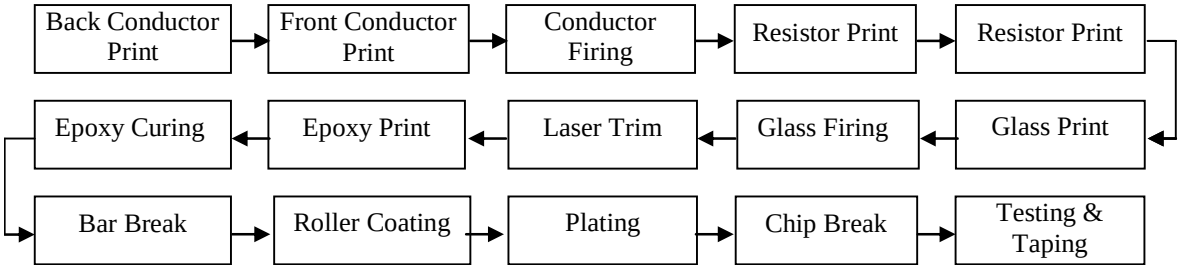
(c) More stringent environmental protection standard and regulation

5.2.2 Manufacturing Processes of Major Products

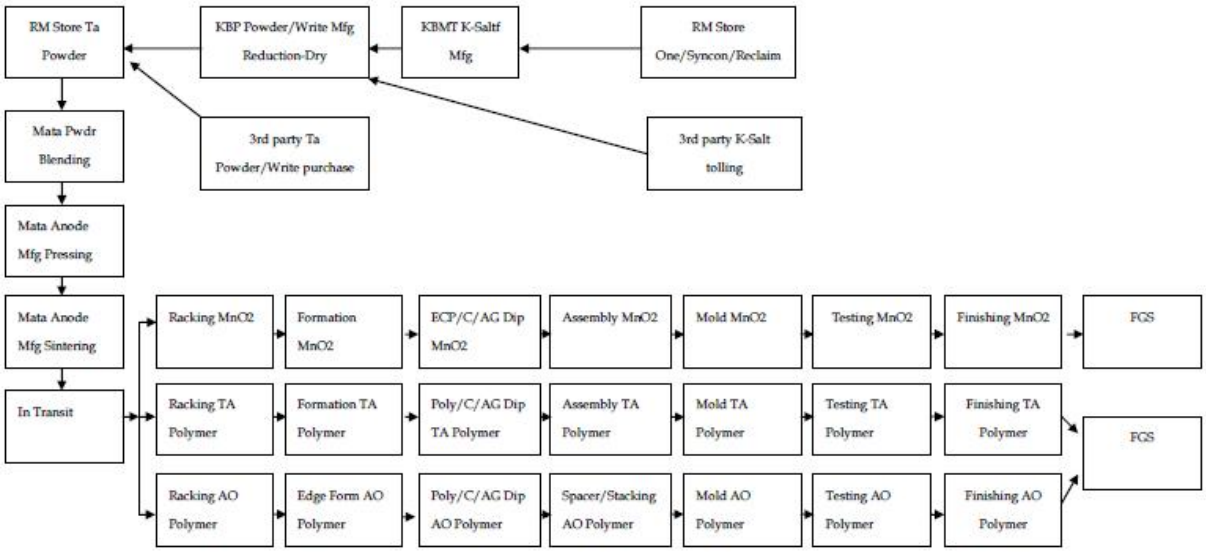
(1) MLCC



(2) Chip Resistors



(3) Tantalum capacitors



5.2.3 Raw Material

The main raw materials of passive components are ceramic powder, porcelain rod, iron cap, lacquer, copper wire, substrate, conductive paste, and resistor paste. Most of the raw materials are imported from Europe and Japan. Considering cost control, stable delivery and local supply chain cluster, part of the raw materials have been changed to purchase from domestic vendor.

5.2.4 List of any suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures

A. List of Major Suppliers with over 10% of the total purchase in the Last Two Years: None

B. List of Major Clients with over 10% of the total sales in the Last Two Years: None

5.2.5 An indication of the production volume for the 2 most recent fiscal years

Unit: Quantity million pcs; NT$ million

Year / Output / Major products	2021			2022		
	Capacity	Quantity	Amount	Capacity	Quantity	Amount
MLCC	760,169	506,021	24,431	799,684	274,136	17,933
Tantalum capacitors	5,130	5,108	12,687	5,494	4,367	12,157
Chip Resistors	1,420,458	1,014,627	23,738	1,405,758	637,720	18,511
Magnetics	38,891	33,405	18,284	39,116	24,354	15,856
Total	2,224,648	1,559,161	79,140	2,250,052	940,577	64,457

5.2.6 An indication of the volume of units sold for the 2 most recent fiscal years

Unit: Quantity million pcs; NT$ million

Year / Shipments and Sales / Major products	2021				2022			
	Domestic		Export		Domestic		Export	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
MLCC	21,716	747	416,559	29,221	10,493	433	267,999	24,377
Tantalum capacitors	0	2	4,995	22,951	1	7	4,447	26,237
Chip Resistors	26,528	548	806,190	17,753	20,931	517	636,204	14,452
Magnetics	1,226	618	32,254	31,003	2	2	30,469	34,738
Other	60	31	12,581	19,305	49	39	8,132	20,285
Total	49,530	1,946	1,272,579	120,233	31,476	998	947,251	120,089

5.3 Status of Employees

Year		2021	2022	As of March 31, 2023
Number of Employees	Direct Labor	18,841	24,563	24,639
	Indirect Labor	9,713	11,553	11,476
	Total	28,554	36,116	36,115
Average Age		37	37	37
Average Years of Service		8	6.9	6.9
Education Background	Ph.D.	66	73	71
	Masters	953	1,158	1,210
	University	7,344	7,461	7,218
	High School	15,732	17,879	19,820
	Under High School	4,459	9,545	7,796

5.4 Disbursements for environmental protection:

Total losses (including damage awards) and fines for environmental pollution for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report: None

5.5 Labor Relations

5.5.1 List any employee welfare plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests.

A. Employee Welfare:

The Company believes that high productivity and performance are based on harmonious employee relationship. Work-Life balance is critical for our employees and our organization as a whole Yageo’s work and life balance program helps employees enjoy a better quality of life and it also contributes to Yageo’s success.

Based on salary changes in the industry, productivity at Yageo, and individual employee performances, annual salary raises will be calculated. Therefore, the Company cares employees’ well-beings by providing a healthy, safe working environment, and offering a variety of activities and offers employees a wide range

of benefits, which include:

ŸEmployee bonus;

ŸEmployee cafeteria;

ŸGroup insurance, Labor insurance, National health insurance;

ŸTravel allowance, gift vouchers, movies tickets form Employee Welfare Committee

ŸFestival bonuses

ŸAnnual health check

ŸCommunity activity

ŸMarriage, funeral, celebration grants

B. Education and training:

Yageo not only employs talented people, but is also focusing its energies on enhancing the leadership and capabilities of its staff. Yageo offers opportunities for people to grow both professionally and personally by adding value to the organization, improving their leadership skills and work capabilities through our management training programs by external professional institution.

The Company train worker to industry standards, and provides comprehensive learning opportunities and resources to all employees and a tailor-made individual development plan to the employee's development needs, also with business needs. Training days for each indirect labor received in averages is 6 days, and 42 days for each direct labor.

In 2022, the total training expenses were NT$2,033 thousand. The training courses and time as below table:

Unit: hour

	Regulation requirement	System Management	Total
External	1,734	137	1,871
Internal	3,317	9,328	12,645
Total	5,051	9,465	14,516

C. Retirement policy:

The Company in accordance with the provisions of the Labor Standards Law and Labor Pension Act provides a retirement plan for all formal employees. And establish the Labor Pension Reserve Committee.

D. Manager continuing education

Training Date	Organizer	Courses	Hours
Mar.9,2022	The Institute of Internal Autitors-Chinese Taiwan	The focus of operating system audits and the integration of cross-cycles and operations	6
Mar.14-23,2022	Accounting Research and Development Foundation	Advanced training course for accounting	30
Aug.19,2022	Taiwan Corporate Governance Association	Cases on corporate control fight in Taiwan	3
Aug.30,2022	Taiwan Corporate Governance Association	Evaluation and Execution of Mergers and Acquisitions from the Legal Viewpoint	3
Oct.24,2022	Taiwan Corporate Governance Association	Corporate Fraud Audit - In-depth Analysis of Risk Management	6
Nov.21,2022	Taiwan Corporate Governance Association	"Fraud Detection Technology" and "Technology Application" in the Digital Era	6

5.5.2 Labor/Employer dispute loss incurrent in the most recent year and up to the publication of the annual report; also, disclosing estimated current and future loss and its countermeasure: None

5.6 Information communucation security management

5.6.1 Describes information security and risk management structure, information security policy, practical management plan and resources invested in information security management:

A. Information security and risk management structure

(1) The Information Technology Department is the unit charged with the responsibilities of information security in the Company, and the Chief Information Officer is the ultimate representative of information security. Under the Department is the information security department led by an information security officer, responsible for formulating information security policy for Yageo Group and planning and implementing information security operations and information security policy promotion and compliance.

(2) The Company's Internal Audit is the supervisory unit for the information security audit. An external accounting firm is also hired to execute regular information security audits. Should any weakness be found during an internal/external audit, an improvement plan and practice are submitted immediately, followed by improvement tracking to reduce internal information security risk.

B. Information security policy

(1) Yageo employees have obligations to protect the Company's business information, including patents, production processes, formulas and other intellectual properties; unauthorized use, divulgence, modification or damage are forbidden.
(2) Without authorization, the Company's employee may not use, within the Company's premises, any privately owned or non-Yageo owned computer, connection device and storage media (e.g., USB drive, hard drive, CD burner, disc, optical disc, and other storage or media in any form).
(3) All information received by, sent from, or stored on a Yageo-owned computer or network device shall be deemed the property of Yageo.
(4) It is strictly prohibited to deliver any business-related data, work file, presentation and internal communique via email to irrelevant unit and personnel, external personal e-mail address and e-mail address that concerns no business with YAGEO.
(5) It is absolutely prohibited to use YAGEO network and computer resource for hacking into other people's system or for the purpose of non-business activities, such as entertainment, personal investment/finance, dissemination of pornographic pictures, music files, jokes and the alike.
(6) No associate may install or use any illegal or unauthorized program on the Company's computer equipment.
(7) The abovementioned Yageo information security policy shall apply to all Yageo Group employees (including contractors); violation of the said policy may be deemed a crime against the laws and subject to job termination. The Company reserves the

right to claim damages.

C. Practical management plan

The Company continues to implement multiple information security protocols and measures to strengthen overall information security. The scope covers the followings:

(1) Network information security control
   (a) Install a multi-layer firewall and virus wall system.
   (b) Install IPS, SPAM, DLP and EDR smart anti-hacking and anti-virus systems.
   (c) Routinely re-examine network system service logs and track abnormality.
   (d) Adopt advanced encryption technology (e.g., certificates or SSL) to enhance confidential and sensitive data transmission protection.
   (e) Routinely scan information security weaknesses on company-owned information equipment and respond with strengthening measures.
   (f) Introduction of managed detection and response (MDR) service to monitor network packets and operation system log, track features of malicious behavior and intervene at real time.
   (g) Introduction of managed detection and response (MDR) service to monitor network packets and operation system log, track features of malicious behavior and intervene at real time.

(2) Data access control
   (a) User account with network access is granted only after application and review; routine password change is a compulsory policy. The employee’s user account is suspended and deleted immediately upon separation.
   (b) Multi-Factor-Authentication (MFA) is being rolled out to all subsidiaries to strengthen the identification recognition system.
   (c) All computer equipment is registered on property inventory and kept by designated personnel; access to equipment requires the user account meticulously assigned according to job level and function.
   (d) All confidential and sensitive information and copyrighted software are removed from their host information equipment slated for decommissioning.
   (e) Access logs are compulsory for access to information as a control measure for information security personnel to review and track.
   (f) Introduction of managed detection and response (MDR) service to monitor network packets and operation system log, track features of malicious behavior and intervene at real time.

(3) Disaster recovery system
   (a) High availability and disaster recovery measures are deployed on all critical systems.
   (b) Install system backup measures that provide double redundancy and remote/offsite backup protections.
   (c) Drill emergency response plan and routine system recovery.

(4) Awareness and inspection
   (a) Newly hired personnel must sign in an information communication security and non-disclosure agreement.
   (b) Routinely administer information security and personal information protection

education, training and awareness programs are held to increase information security consciousness among employees.

(c) Administer social engineering blind test on active employees.

(5) Introduction of managed detection and response (MDR) service to monitor network packets and operation system log, track features of malicious behavior and intervene at real time.

(a) Our Company has adopted internationally approved strength of password in our password policy.

(b) Introduction of information security surveillance plan suitable for identity verification to monitor account cracking by brute-force and abnormal use and log-in.

D. Resources invested in information security management

The Company allocates budgets every year to strengthen and update information security equipment continuously, ensuring that the latest information security technology is deployed to sustain the corporate operation.

5.6.2 List of major information security events and their respective damage, possible impact and responsive measures during the latest fiscal year up to the publish date of the annual report: None

5.7 Important Contracts

Agreement	Counterparty	Period	Major Contents	Restrictions
Long-term loan Agreement	Bank of Taiwan etc. Sydication loan with 22 banks.	2020.06~2025.06	NT$48.5 Billion	None
Long-term loan Agreement	Taipei Fubon Bank	2019.09~2024.09	NT$ 3 Billion	None
Long-term loan Agreement	CTBC Bank	2019.08~2024.08	NT$ 5 Billion	None
Long-term loan Agreement	Mega Bank	2019.09~2026.09	NT$ 4 Billion	None
Long-term loan Agreement	Chang Hwa Bank	2019.09~2026.09	NT$ 2.56 Billion	None

VI. Financial Highlights

6.1 Five-Year Financial Summary for the past 5 fiscal years

6.1.1 Yageo Corporation and Subsidiaries Consolidated Balance Sheet – Based on IFRS

Unit: NT$ thousand

Item \ Year		Financial Summary for The Last Five Years					As of 2023/03/31 (note 1)
		2018	2019	2020	2021 (Audited after Restatement)	2022	
Current assets		60,918,070	37,147,537	69,939,422	104,828,656	111,704,591	116,332,167
Property, Plant and Equipment		18,550,010	20,511,273	41,543,575	50,695,356	59,871,278	62,961,506
Intangible assets		26,201,560	25,913,310	59,044,926	66,434,560	72,180,049	71,629,128
Other assets		18,034,692	12,810,017	14,829,999	20,944,111	33,429,631	35,325,654
Total assets		123,704,332	96,382,137	185,357,922	242,902,683	277,185,549	286,248,455
Current liabilities	Before distribution	53,782,422	34,744,737	67,402,774	86,169,871	94,916,096	100,491,346
	After distribution	72,869,473	41,154,118	72,361,963	91,570,431	99,102,748	Not yet distributed
Non-current liabilities		10,483,558	15,390,669	49,510,741	57,306,962	60,720,136	64,416,096
Total liabilities	Before distribution	64,265,980	50,135,406	116,913,515	143,476,833	155,636,232	164,907,442
	After distribution	83,353,031	56,544,787	121,872,704	148,877,393	159,822,884	Not yet distributed
Equity attributable to shareholders of the parent		59,334,695	46,246,731	68,405,933	79,416,558	121,344,357	121,134,494
Capital stock		4,270,847	4,302,571	4,969,841	4,959,189	4,214,542	4,221,072
Capital surplus	Before distribution	5,543,599	5,393,515	23,099,157	22,048,917	41,679,879	41,965,827
	After distribution	5,246,689	5,393,515	22,107,319	22,048,917	41,679,879	Not yet distributed
Retained earnings	Before distribution	53,151,865	41,480,429	47,002,412	63,761,748	77,284,491	77,229,153
	After distribution	34,361,724	35,071,048	43,035,061	58,361,188	73,097,839	Not yet distributed
Other equity interest		(1,210,064)	(2,508,232)	(4,243,925)	(9,474,141)	196,165	(250,838)
Treasury stock		(2,421,552)	(2,421,552)	(2,421,552)	(1,879,155)	(2,030,720)	(2,030,720)
Business combinations under common control with successor		-	-	-	223,991	0	-
Non-controlling interest		103,657	-	38,474	19,785,301	204,960	206,519
Total equity	Before distribution	59,438,352	46,246,731	68,444,407	99,425,850	121,549,317	121,341,013
	After distribution	40,351,301	39,837,350	63,485,218	94,025,290	117,362,665	Not yet distributed

Note 1: The 2023Q1 financial information were reviewed by the CPA

Note 2: The figures listed above after the distribution of each year, year 2018 was based on the resolutions of the shareholders' meeting of the following year. Year 2019 to 2022 earnings distribution were approved by the Board of Directors on February 26, 2020, April 22, 2021, March 17, 2022 and March 14, 2023.

6.1.2 Yageo Corporation and Subsidiaries Consolidated Statement of Comprehensive Income – Based on IFRS

Unit: NT$ thousand; NT$ for EPS

Item \ Year	Financial Summary for The Last Five Years					As of 2023/03/31 (note 1)
	2018	2019	2020	2021 (Audited after Restatement)	2022	
Operating revenue	77,155,611	41,306,656	67,672,108	122,179,335	121,086,925	26,095,544
Gross profit	48,845,268	14,780,545	25,395,056	46,618,175	46,018,754	8,612,361
Profit from operations	36,907,968	8,031,323	16,219,906	28,983,345	28,987,761	4,920,473
Non-operating income	2,987,393	991,757	(1,457,023)	(279,144)	2,140,259	514,247
Income before tax	39,895,361	9,023,080	14,762,883	28,704,201	31,128,020	5,434,720
Net income (Loss)	33,840,152	7,052,115	12,034,842	21,738,405	22,769,875	4,134,787
Other comprehensive income (income after tax)	(731,829)	(1,136,400)	(1,814,821)	(5,417,837)	10,920,303	(448,812)
Total comprehensive income for the year	33,108,323	5,915,715	10,220,021	16,320,568	33,690,178	3,685,975
Net income attributable to shareholders of the parent	33,839,293	6,944,793	12,011,399	22,902,546	22,730,465	4,131,526
Business combinations under common control with former owner	-	-	-	(59,433)	1,245	-
Net income attributable to non-controlling interest	859	107,322	23,443	(1,104,708)	38,165	3,261
Comprehensive income attributable to Owners of the company	33,113,026	5,820,538	10,196,128	17,792,056	33,644,658	3,684,416
Business combinations under common control with former owner	-	-	-	(73,249)	1,245	-
Comprehensive income attributable to non-controlling interests	(4,703)	95,177	23,893	(1,398,239)	44,275	1,559
Earnings per share	80.30	16.35	25.52	46.13	44.22	9.90

Note 1: The 20232Q1 financial data were reviewed by the CPA

6.1.3. Yageo Corporation Balance Sheet – Based on IFRS

Unit: NT$ thousand

Item \ Year		Financial Summary for The Last Five Years				
		2018	2019	2020	2021 (Audited after Restatement)	2022
Current assets		19,045,661	8,038,793	22,397,893	20,398,321	19,065,442
Property, Plant and Equipment		5,932,977	7,309,339	8,463,036	9,228,885	14,243,437
Intangible assets		191,439	169,216	162,107	224,082	210,035
Other assets		90,839,825	88,284,280	138,036,313	155,924,411	212,966,542
Total assets		116,009,902	103,801,628	169,059,349	185,775,699	246,485,456
Current liabilities	Before distribution	46,846,216	43,016,707	52,219,742	60,946,831	70,211,521
	After distribution	65,933,267	49,426,088	57,178,931	66,347,391	74,398,173
Non-current liabilities		9,828,991	14,538,190	48,433,674	45,188,319	54,929,578
Total liabilities	Before distribution	56,675,207	57,554,897	100,653,416	106,135,150	125,141,099
	After distribution	75,762,258	63,964,278	105,612,605	111,535,710	129,327,751
Equity attributable to shareholders of the parent		59,334,695	46,246,731	68,405,933	79,640,549	121,344,357
Capital stock		4,270,847	4,302,571	4,969,841	4,959,189	4,214,542
Capital surplus	Before distribution	5,543,599	5,393,515	23,099,157	22,048,917	41,679,879
	After distribution	5,246,689	5,393,515	22,107,319	22,048,917	41,679,879
Retained earnings	Before distribution	53,151,865	41,480,429	47,002,412	63,761,748	77,284,491
	After distribution	34,361,724	35,071,048	43,035,061	58,361,188	73,097,839
Other equity interest		(1,210,064)	(2,508,232)	(4,243,925)	(9,474,141)	196,165
Treasury stock		(2,421,552)	(2,421,552)	(2,421,552)	(1,879,155)	(2,030,720)
Business combinations under common control with successor		-	-	-	223,991	-
Total equity	Before distribution	59,334,695	46,246,731	68,405,933	79,640,549	121,344,357
	After distribution	40,247,644	39,837,350	63,446,744	74,239,989	117,157,705

Note1: The figures listed above after the distribution of each year, year 2018 was based on the resolutions of the shareholders' meeting of the following year. Year 2019 to 2022 earnings distribution were approved by the Board of Directors on February 26, 2020, April 22, 2021, March 17, 2022 and March 14, 2023.

6.1.4. Yageo Corporation Statement of Comprehensive Income– Based on IFRS

Unit: NT$ thousand

Year / Item	Financial Summary for The Last Five Years				
	2018	2019	2020	2021 (Audited after Restatement)	2022
Operating revenue	37,221,892	23,179,251	33,321,389	40,223,628	27,429,808
Gross profit	23,716,114	3,758,370	7,396,101	10,251,676	5,216,629
Profit from operations	17,345,038	2,858,853	5,707,607	7,215,069	1,791,277
Non-operating income	19,435,380	5,238,687	7,333,620	18,038,886	22,226,204
Income before tax	36,780,418	8,097,540	13,041,227	25,253,955	24,017,481
Net income (Loss)	33,839,293	6,944,793	12,011,399	22,843,113	22,731,710
Other comprehensive income (income after tax)	(726,267)	(1,124,255)	(1,815,271)	(5,124,306)	10,914,193
Total comprehensive income for the year	33,113,026	5,820,538	10,196,128	17,718,807	33,645,903
Net income attributable to shareholders of the parent	33,839,293	6,944,793	12,011,399	22,902,546	22,730,465
Business combinations under common control with successor	-	-	-	(59,433)	1,245
Comprehensive income attributable to Owners of the company	33,113,026	5,820,538	10,196,128	17,792,056	33,644,658
Business combinations under common control with successor	-	-	-	(73,249)	1,245
Earnings per share	80.30	16.35	25.52	46.13	44.22

6.1.5. Auditors' Opinions for the last five years

Year	Accounting Firm	CPA	Audit Opinion
2018	Deloitte & Touche	Yung-Hsiang Chao and Jr-Shian Ke	Unqualified opinion
2019	Deloitte & Touche	Yung-Hsiang Chao and Cheng-Tsai Tsai	Unqualified opinion
2020	Deloitte & Touche	Yung-Hsiang Chao and Cheng-Tsai Tsai	Unqualified opinion
2021	Deloitte & Touche	Yung-Hsiang Chao and Cheng-Tsai Tsai	Unqualified opinion
2022	Deloitte & Touche	Yung-Hsiang Chao and Ching-Hsia Chang	Unqualified opinion

6.2 Financial analyses for the past 5 fiscal years

6.2.1. Yageo Corporation and Subsidiaries Consolidated Financial Analysis – Based on IFRS

Item \ Year		Financial Analysis for the Last Five Years					As of March 31, 2023 (note 1)
		2018	2019	2020	2021 (Audited after Restatement)	2022	
Financial structure (%)	Debt Ratio	51.95	52.02	63.07	59.07	56.15	57.61
	Ratio of long-term capital to property, plant and equipment	376.38	300.50	283.93	309.17	304.44	295.03
Solvency (%)	Current ratio	113.27	106.92	103.76	121.65	117.69	115.76
	Quick ratio	92.30	89.14	80.97	90.91	87.24	87.83
	Interest earned ratio (times)	73.93	18.19	20.68	28.03	25.72	13.40
Operating performance	Accounts receivable turnover (times)	4.89	2.78	5.67	6.73	5.43	4.91
	Average collection period	74.64	131.29	64.37	54.23	67.21	74.33
	Inventory turnover (times)	3.38	2.84	3.60	3.46	2.62	2.42
	Accounts payable turnover (times)	3.14	3.20	4.42	4.77	4.55	5.08
	Average days in sales	107.98	128.52	101.38	105.49	139.31	150.82
	Property, plant and equipment turnover (times)	4.43	2.11	2.18	2.65	2.19	1.70
	Total assets turnover (times)	0.80	0.38	0.48	0.57	0.47	0.37
Profitability	Return on total assets (%)	35.47	6.78	8.98	10.53	9.11	6.34
	Return on stockholders' equity (%)	74.65	13.36	20.99	25.90	20.61	13.62
	Pre-tax income to paid-in capital (%)	934.23	210.30	297.07	578.81	738.93	515.81
	Profit ratio (%)	43.86	17.07	17.78	17.79	18.80	15.84
	Earnings per share (NT$)	80.30	16.35	25.52	46.13	44.22	9.90
Cash flow	Cash flow ratio (%)	77.69	33.74	26.35	31.99	34.78	25.52
	Cash flow adequacy ratio (%)	183.38	125.20	111.41	105.28	114.56	115.48
	Cash reinvestment ratio (%)	45.88	(10.14)	9.39	14.12	14.56	13.13
Leverage	Operating leverage	1.21	1.37	1.27	1.26	1.27	1.42
	Financial leverage	1.02	1.07	1.05	1.04	1.05	1.10

Analysis of financial ratio differences for the last two years.

1. Decrease in Inventory turnover and Average days in sales: Due to the increase in inventory
2. Increase in Pre-tax income to paid-in capital: Due to the increase in non-operating income, which make the increase in pre-tax income this year. And the decrease in paid-in capital due to capital reduction in this year.

Note 1: The 2023Q1 financial data were reviewed by the CPA

6.2.2. Yageo Corporation Financial Analysis – Based on IFRS

Item \ Year		Financial Analysis for the Last Five Years				
		2018	2019	2020	2021 (Audited after Restatement)	2022
Financial structure (%)	Debt Ratio	48.85	55.45	59.54	57.13	50.77
	Ratio of long-term capital to property, plant and equipment	1,165.75	831.61	1,380.59	1,352.59	1,237.58
Solvency (%)	Current ratio	40.66	18.69	42.89	33.47	27.15
	Quick ratio	33.55	14.01	38.02	26.59	18.54
	Interest earned ratio (times)	93.37	21.10	22.18	42.14	31.25
Operating performance	Accounts receivable turnover (times)	5.22	4.22	6.38	6.67	6.32
	Average collection period	69.92	86.49	57.21	54.72	57.75
	Inventory turnover (times)	5.30	6.39	9.50	8.32	4.22
	Accounts payable turnover (times)	1.78	2.83	4.05	4.37	4.85
	Average days in sales	68.87	57.12	38.42	43.87	86.49
	Property, plant and equipment turnover (times)	5.99	3.50	4.23	4.55	2.34
	Total assets turnover (times)	0.41	0.21	0.24	0.23	0.13
Profitability	Return on total assets (%)	38.10	6.63	9.22	13.19	10.87
	Return on stockholders' equity (%)	74.73	13.16	20.95	30.86	22.62
	Pre-tax income to paid-in capital (%)	861.29	188.73	262.43	509.24	570.13
	Profit ratio (%)	90.91	29.96	36.05	56.79	82.87
	Earnings per share (NT$)	80.30	16.35	25.52	46.13	44.22
Cash flow	Cash flow ratio (%)	73.03	(16.26)	10.24	13.03	6.37
	Cash flow adequacy ratio (%)	226.43	87.99	81.66	81.23	74.26
	Cash reinvestment ratio (%)	34.59	(34.35)	(0.86)	2.14	(0.48)
Leverage	Operating leverage	1.22	1.36	1.17	1.16	1.71
	Financial leverage	1.02	1.16	1.12	1.09	1.80

Analysis of financial ratio differences for the last two years.

1. Decrease in Current ratio and Quick ratio: Due to the increase in Current Liabilities.
2. Decrease in Interest earned ratio: Due to the increase in interest paid.
3. Decrease in Inventory turnover and Average days in sales: Due to the increase in inventory.
4. Decrease in Property, plant and equipment turnover and Total assets turnover: Due to the decrease in net sales.
5. Decrease in Return on stockholders' equity: Due to the decrease merger of subsidiary.
6. Increase in Profit ratio: Due to the decrease in net sales.
7. Decrease in Cash flow ratio and Cash reinvestment ratio: Due to the decrease in net cash inflow generated from operating activities.

Formula:

1. Financial Structure
   (1) Debt ratio = Total Liabilities / Total Assets
   (2) Ratio of long-term capital to property, plant and equipment = (Shareholders' Equity + Long-term Liabilities) / Net Property, Plant and Equipment
2. Solvency
   (1) Current ratio = Current Assets / Current Liabilities
   (2) Quick ratio = (Current Assets – Inventory – Prepaid Expenses) / Current Liabilities
   (3) Interest earned ratio (times) = Earnings before Interest and Taxes / Interest Expenses
3. Operating Performance
   (1) Accounts receivable turnover (times) = Net Sales / Average Account Receivable
   (2) Average collection period = 365 / Accounts receivable turnover
   (3) Inventory turnover (times) = Cost of Goods Sold / Average Inventory
   (4) Accounts payable turnover (times) = Cost of Goods Sold / Average Account Payable
   (5) Average days in sales = 365 / Inventory Turnover
   (6) Property, plant and equipment turnover (times) = Net Sales / Average Net Property, Plant and Equipment
   (7) Total assets turnover (times) = Net Sales / Average Total Assets
4. Profitability
   (1) Return on total assets = (Net Income + Interest Expenses × (1-Effective Tax Rate)) / Average Total Assets
   (2) Return on stockholders' equity = Net Income / Average Net Equity
   (3) Profit ratio = Net Income / Net Sales
   (4) Earnings per Share = (Net Income – Preferred Stock Dividend) / Weighted Average Outstanding Shares
5. Cash Flow
   (1) Cash flow ratio = Cash Provided from Operating Activities / Current Liabilities
   (2) Cash flow adequacy ratio = Most Recent Five-year Cash from Operating Activities / Most Recent Five-year (Capital Expenditures +Increases in Inventory + Cash Dividend)
   (3) Cash reinvestment ratio = (Cash Flow from Operating Activities – Cash Dividend) / (Gross Fixed Assets + Long-term Investments + Other Assets + Working Capital)
6. Leverage
   (1) Operating Leverage = (Net Sales – Variable Cost of Goods Sold and Operating Expense) / Operating Income
   (2) Financial Leverage = Operating Income / (Operating Income – Interest Expenses)

6.3 Audit Committee’s report for the most recent year's financial statement

YAGEO Corporation

Audit Committee's Review Report

The Board of Directors has approved the Company’s 2022 Financial Statements, Business Report, and proposal for distribution of earnings. The CPA firm of Deloitte & Touche, which was appointed by the Board of Directors, has audited the Company’s 2022 Financial Statements and issued an unqualified opinion.

We have examined the Company’s 2022 Financial Statements, Business Report, and the proposal for distribution of earnings that have been approved by the Board of Directors. We hereby respectfully prepare and present this Report in accordance with Article 14-4 of Securities and Exchange Law and Article 219 of The Company Act for your review.

Yageo Corporation

Chairman of the Audit Committee: Cheng-Ling Lee

March 14, 2023

6.4 Consolidated Financial Statements for the most recent year audited by the CPA:
Please refer to Attachment I of the Annual report

6.5 Financial Statements for the most recent year audited by the CPA:
Please refer to Attachment II of the Annual report

6.6. If the company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the annual report shall explain how said difficulties will affect the company's financial situation: None

VII. Review and Analyze of Financial Position, Financial Performance, and Risk Management

7.1 Analysis of Financial Status

The Company and Subsidiaries Consolidated balance sheets, please refer to "VI. Financial Information" of the Annual report.

Material change and impact concerning asset, liability and shareholders' equity in the past two years:

Asset: As financial assets measured at amortized cost in fiscal 2022 increased and stake holding in XSEMI decreased, the Company has lost controlling power. The subsidiary has been changed to non-consolidated stakeholder, and therefore investment measured in equity method increased.

Liability: Total TWD 4.5 billion of domestic unsecured corporate bond has been issued in Fiscal 2022, therefore corporate bond payable has increased.

Equity: Capital stock change is primarily caused by cash capital reduction and organization restructure. Additional paid-in capital change is primarily caused by organization restructure and treasury stock write-off. Retained earning change is primarily caused by reserve and distribution of distribution of profit and treasury stock write-off. Other changes in equity are primarily caused by decrease in exchange differences on translation of foreign financial statements, decrease in unrealized gains (losses) on current financial assets at fair value through profit or loss and increase in gain (losses) on hedge tool. Increase in treasury stock is primarily caused by purchase of treasury stock. Change in non-controlling interest is primarily caused by organization restructure.

7.2 Analysis of Financial Performance

The Company and Subsidiaries Consolidated balance sheets, please refer to "VI. Financial Information" of the Annual report.

Primary reasons for material changes in net operating profit, non-operating income and expenditure and net income in the last two years:

The Company's operating revenue in Fiscal 2022 has decreased by 0.89% from Fiscal 2021 (after re-compiling). Gross profit margin at 38%, operating profit ratio at 23.9%; no major difference from the same period last year. Increase in Non-operating income and expenditure is primarily caused by a higher than previous period Interest income and Gain on financial instruments at fair value through profit or loss. Increase in other comprehensive income is primarily caused by increase in exchange differences on translation of foreign financial statements.

7.3 Analysis of Cash Flow

7.3.1 Cash Flow Analysis for the most recent fiscal year

Year / Item	2022	2021 (Audited after Restatement)	Gain or Loss ratio (%)
Cash flow ratio (%)	34.78	31.99	8.72%
Cash flow adequacy ratio (%)	114.56	105.28	8.81%
Cash reinvestment ratio (%)	14.56	14.12	3.12%

Analysis of change in cash flow in the current year:
Increase in Cash flow ratio is primarily caused by a higher than previous period Cash Provided from Operating Activities.
Increase in cash adequacy ratio is primarily caused by increase in cash flow from operating activities when compared with previous period, and the growth is higher than the growth of the combined amount of capital expenditure, inventory increase and cash dividend.
Increase in cash reinvestment ratio is primarily caused by a higher than previous period net cash inflow from operating activities, and cash available for investment has increased.

7.3.2 Remedy for Cash Deficit and Liquidity Analysis: NA

7.3.3 Cash Flow Analysis for the coming year:

The Company expects that cash inflows from cash and operating activities in the next year will be sufficient to cover various cash expenses such as capital expenditures and cash dividends, and the cash flow will be good in the next year.

7.4 The effect upon financial operations of any major capital expenditures during the most recent fiscal year

The Company and its subsidiaries spent NT$ 12,444,277 thousand in capital expenditure in 2022 mainly for the manufacture of diversified products such as miniaturization, high capacitance value, temperature resistance, high-pressure resistance, large size for vehicles, and environmental protection. Therefore, the purchase is for machinery equipment replacement and expansion of production capacity. At the same time, the Company continues to expand investment in Taiwan and expands the production capacity of niche and high-end products in Taiwan to meet the development needs of high-end automotive, industrial, medical, aerospace, and 5G/IoT, which is positive for the Company’s future financial business.

7.5 Reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year

(1) Investment policy for the most recent fiscal year and investment plans for the coming year:
The Company’s investment policy focuses on consolidating the passive component industry and expanding in high-end electronic component product. The management team’s investment goal is to maximize shareholders’ returns.

Moving forward, the Company will keep a prudential and optimistic attitude toward developing the core business, implementing the established investment policy, accelerating R&D and expanding business in Europe and America to strengthen the Company's international competitiveness and drive further business growth. The coming year's investment plan please refer to "7.6.7 Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken." of the Annual Report.

(2) Main reasons for the losses generated thereby

The Company recognized NT$184,656 thousand of investment gain under the equity method in 2022 as our affiliate company recognized income after tax.

7.6 The section on risks shall analyze and assess for the most recent fiscal year and as they stood on the date of publication of the annual report:

7.6.1 The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future.

The Company is exposed to interest rate risk because the Company borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rates. As the credit rating is established and improved, the Company reduces interest expenses by issuing bonds and seeking lower financing costs from banks and financial institutions

The Company engages in foreign currency hedging operations to avoid the impact of exchange rate fluctuations on its current assets and current liabilities which are denominated by foreign currency after considering the net difference. Inflation had a limited impact on the Company's operating costs in the past year, and the Company continued to increase the proportion of high-end automotive electronics and industrial products shipped, expand the development of high-end customers, and added new production capacity for niche products, resulting in the continuous optimization of the Company's overall product portfolio. These development strategies have enabled the Company to avoid or tolerate possible risks associated with its operations.

7.6.2 The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

The Company engages in fund lending with others, endorsement guarantees and derivative instrument transactions in accordance with the procedures passed by the board of directors, and does not engage in high-risk, highly leveraged investments that may affect profit and loss.

7.6.3 Research and development work to be carried out in the future, and further expenditures expected for research and development work:

The Company and its subsidiaries are expected to invest more than NT $ 3.1 billion in R&D in 2023. Please refer to the description of "V. Operational Highlights" of the Annual report.

7.6.4 Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

The Company consistently pays close attention to any changes in local and foreign regulations and policies and makes appropriate amendments to our systems when necessary. During 2022 and as of the date of publication of this annual report, changes in related laws have not had a significant influence on our operations.

7.6.5 Effect on the company's financial operations of developments in science and technology, including information and communication security risk, as well as industrial change, and measures to be taken in response:

The Company constantly monitors the technical progress of the industry and assigns a dedicated person/team to evaluate action plans for future development and the impacts on our business and financial position when needed. The Company pays close attention to 5G development to keep up with industry trends and related business opportunities. The Company actively deploys and adjusts production capacity to meet market demand concerning the industry dynamics that Japanese peers announced to exit the commodity market gradually. The Company will continue to focus on high-end automotive, industrial, healthcare, aerospace, and 5G/IoT segments and deliver even stable revenue and profitability growth in the future.

The Company values information security for financial operations; complete information security protection and data protection measures are installed to ensure that financial operations are protected against risks of information leak or damage. For the sake of information and communication security, the Company continues to invest and procure advanced information security equipment, such as firewalls and virus walls, to ward off cyber-attacks. Thorough data protection measures are also in place to guarantee the safe storage of financial data.

7.6.6 Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response:

The Company attaches great importance to corporate risk management, such as prevention and mitigation of both natural and human-made disasters, and has established extensive action plans and procedures for building a project response team. Risk management planning includes thorough analysis of the root cause and impact of the incident, the alternative plan and solutions to various conditions, and prevention and reconstruction measures. The responsibility of the project team is to minimize the impacts of physical injuries, operation disruption and financial damage and to maintain smooth operation when accident happened. The Company’s operation has been stable over the years, and there is no significant risk that may interrupt normal operation or damage corporate image.

7.6.7 Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken:

In October 2022, The Company announced to acquire Heraeus Nexensos, the global leader in premium platinum thin-film temperature sensors, in an all-cash transaction

of EUR 79.40 million, and to acquire Telemecanique Sensors, a leading global specialist in mission-critical electromechanical and electronic sensors in an all-cash transaction with an estimated equity value of approximately EUR 686 million, respectively. These acquisitions closely follow YAGEO's ongoing strategic focus on the premium segment and broadens the high-end "design-in" product portfolio as a premium component solution provider.

Heraeus Nexensos is the global leader in premium platinum thin-film temperature sensors for superior temperature range, high precision measurement and high stability with over 100 years of history in high-end industrials and automotive segments. Its headquarter is located in Hanau, Germany, with 2 manufacturing sites located in Germany and Malaysia and has about 480 full time employees. Heraeus Nexensos provides a wide array of platinum thin-film temperature sensor elements in different formats, including but not limited to leaded sensors, SMD (surface mount device) and PCB (printed circuit board) to accommodate various designs from customers. As of 2021, Heraeus Nexensos has close to 60% of the revenue coming from North America and Europe, and 100% of the revenue contributed by industrial and automotive customers. Heraeus Nexensos's 2021 annual revenue was EUR 78.46 million (approximately NT$2.45 billion).

Telemecanique Sensors is a leading global specialist in the design, development, and delivery of mission-critical electromechanical and electronic sensors. Telemecanique Sensors generated around EUR 280 million (approximately USD 331 million) in revenue in 2021 and benefits from a worldwide presence with approximately 70% of its revenues in North America and Europe. With over 90 years of continuous innovation in sensors, Telemecanique Sensors has built a broad portfolio of sensing solutions including high-end limit switches, proximity sensors, and pressure sensors. Its products are used in several fast-growing macro trends such as IoT, Industrial Automation, Industry 4.0 and Infrastructure, including a wide array of applications.

The acquisitions of Heraeus Nexensos and Telemecanique Sensors will bring YAGEO immediate cross-selling opportunities. Leveraging off the two companies advanced technology and YAGEO's premium global distribution channels, YAGEO will be able to continue to capture our content share per box among our customers and further simplify their supply chain management process to create value and convenience.

7.6.8 Expected benefits and possible risks associated with any plant expansion and mitigation measures being or to be taken:

The Company utilizes the advantages of conducting business in Taiwan, including frontier R&D, industry cluster and supply chain integration, to ensure driving forces for long-term growth and maintain operation sustainability. Considering the ongoing trade dispute between China and US, the Company decided to expand its investment scale in Taiwan locally while continuously developing business globally.

7.6.9 Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

The Company has consistently focused on identifying alternative sources for

purchasing, and has worked to diversify its customer base in order to reduce the concentration of sales.

7.6.10 Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10% stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken:

The shareholdings of the Company's directors have been stable during the last few years, and there have been no major transfers or swaps of shares.

7.6.11 Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: None

7.6.12 Litigious and non-litigious matters:

(1) Disclosure of the information on the facts, monetary amounts, important dates, primary litigants and status quo of the proceedings, including the law suits of which rulings have been made already, the proceedings in progress, non-contentious cases and administrative disputes that have occurred during the past two years up to the release date of the Annual report, and in which the Company is a concerned litigant and of which results may cause material impacts on shareholders' rights or security prices:

A. In December 2015, the Taiwan Fair Trade Commission (TFTC) notified TOKIN Corporation (TOKIN) of its decision to impose an administrative fine on TOKIN for violation of the Taiwan Fair Trade Act as it affected the function of the tantalum capacitor market. TOKIN filed its appeal against the TFTC's decision with the Taipei High Administrative Court in January 2016 and obtained a favorable judgment. TFTC appealed to the Taiwan Administrative Supreme Court. In December 2019, the Taiwan Administrative Supreme Court directed the TFTC to recalculate the fine. Both agreed to try to settle in accordance with the court's suggestion. The hearing was held on September 15, 2022. Before the resulting judgment on the appeal is determined, TOKIN needs to pay the fine first, which will be paid in 48 installments starting from September 2021 according to the agreement with the TFTC. The case is currently under trial. The Group has recognized related liabilities and believes the compensatory damages would not significantly affect its financial condition and business operations.

B. In August 2013, Continental GA, a German company, filed a lawsuit against KEMET Electronics GmbH, subsidiary of the Group, for damages in a German court due to abnormal capacitor issues. The Group was opposed to the claims made by Continental GA. In May 2020, as encouraged by the judge, the Group and Continental GA began conducting settlement discussions. The hearing was held on January 2023. The settlement is still in progress. The Group has recognized related liabilities and believes the compensatory damages would not significantly affect its financial condition and business operations.

C. CYNTEC Co., Ltd., the subsidiary of Delta Electronics, Inc., filed a patent infringement lawsuit against the Company and its subsidiary Chilisin America

Ltd. in the United States District Court for the Northern District of California in 2018. The Group commissioned a specialist to analyze and judge the Group's doubts for no infringement. In May 2022, the U.S. District Court announced a verdict that Chilisin America Ltd. should pay US$5,553 thousands in damages. Chilisin America Ltd. has filed an appeal on May 31, 2022. The Group has recognized related liabilities.

(2) Disclosure of the information concerning the Company's directors, supervisors, de facto persons in charge and any entity or subsidiary that holds more than 10% of total shares who are involved in the proceedings that have occurred during the past two years up to the release date of the Annual report, including the proceedings of which rulings have been made and the proceedings that are litigation in progress, non-contentious cases and administrative disputes, and may cause material impacts on the Company's shareholders' rights or security prices (information disclosed is similar to Item 1 of this Article): None

(3) Disclosure of the information concerning the Company's directors, supervisors, officers and any major shareholder that holds more than 10% of total shares and are involved in an incident that is regulated by Article 157 of the Securities and Exchange Act and that has occurred during the past two years up to the release date of the Annual report, and the status quo of the said incident: None

7.6.13 Other Major Risks: None

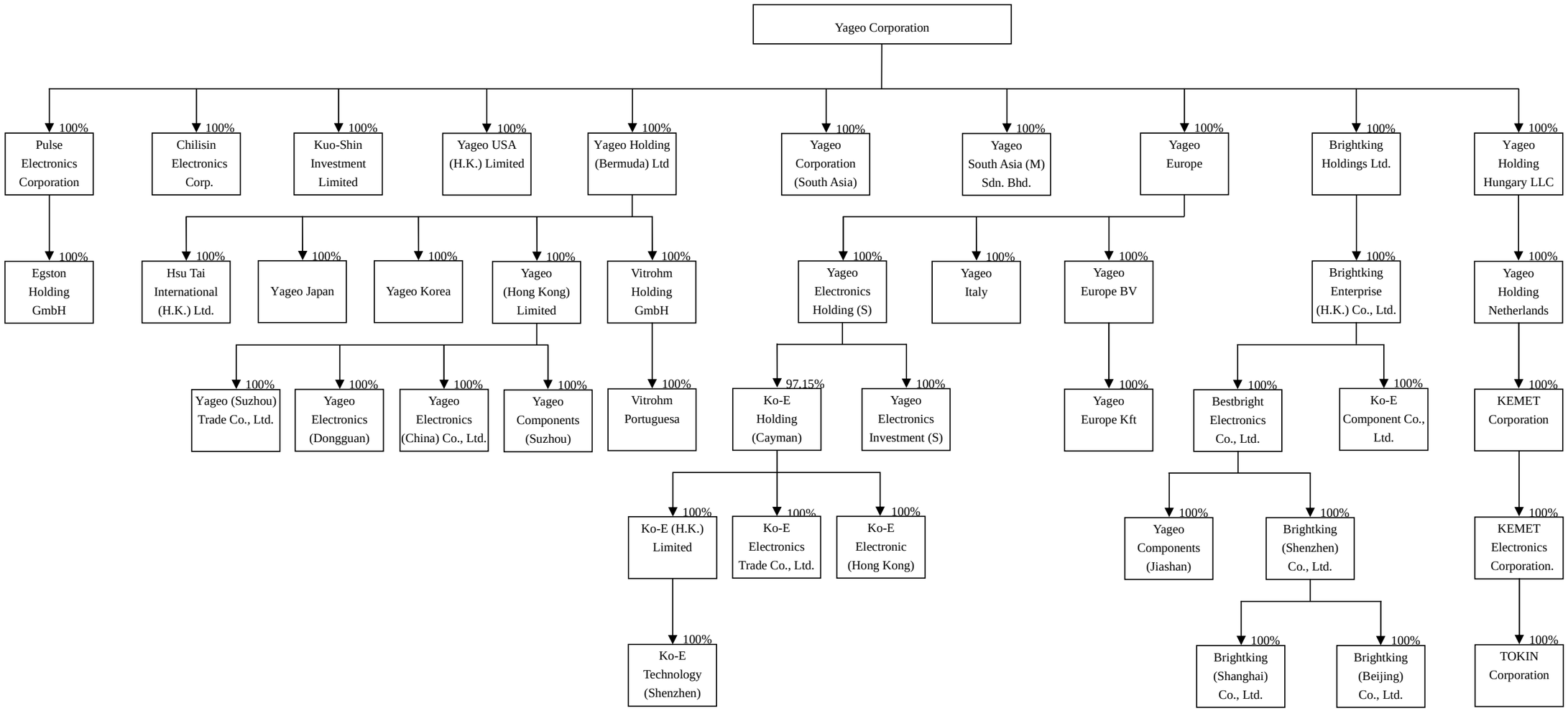
7.7 Other major matters: None

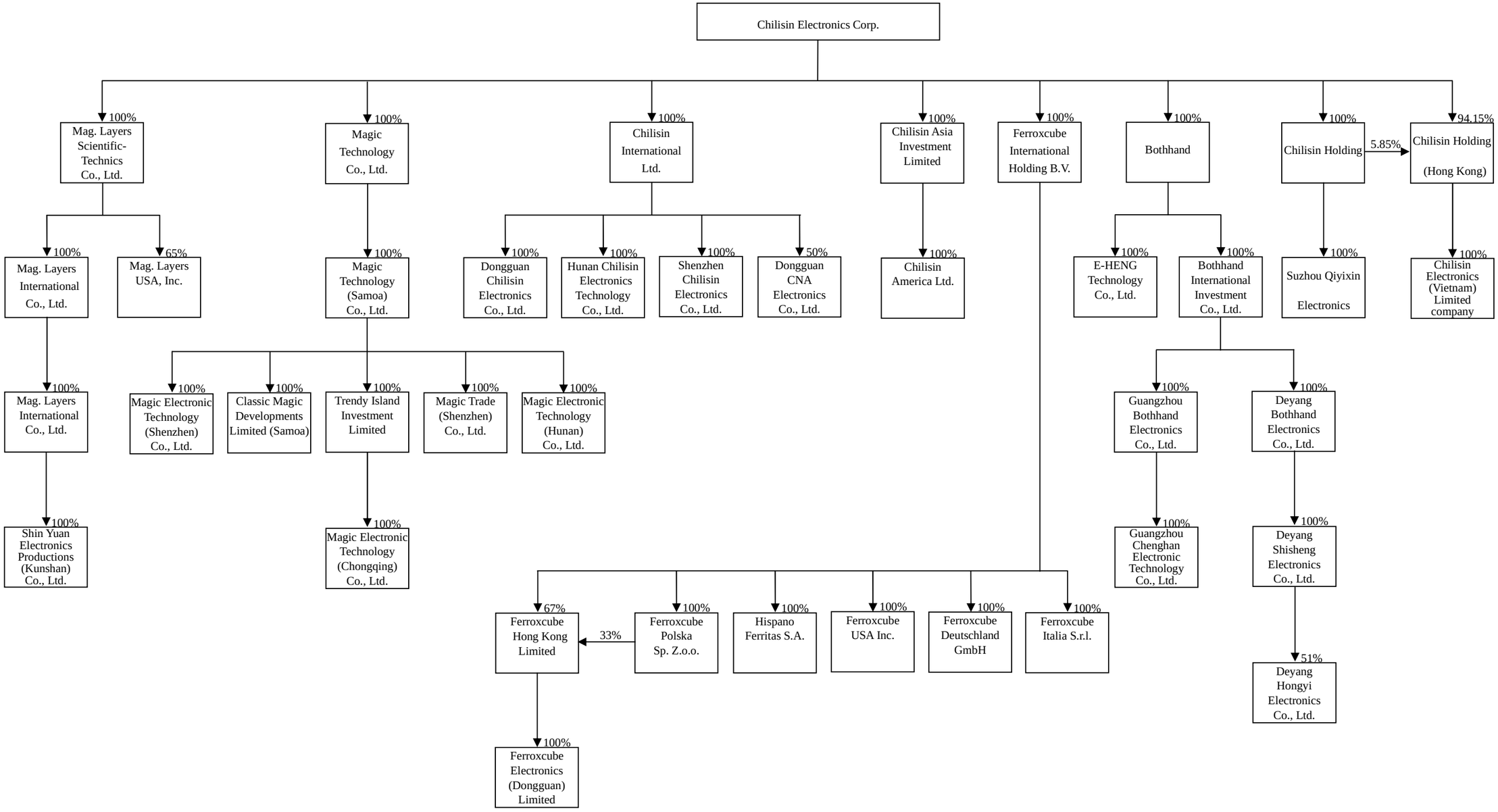
8.1 Information related to the Company's affiliated

8.1.1 Affiliated Company's Consolidated Business Report

8.1.1.1 THE GROUP'S ORGANIZATION CHART:

DECEMBER 31, 2022




Chilisin Electronics Corp.
100%
Mag. Layers Scientific-Technics Co., Ltd.
100%
Magic Technology Co., Ltd.
100%
Chilisin International Ltd.
100%
Chilisin Asia Investment Limited
100%
Ferroxcube International Holding B.V.
100%
Bothhand
100%
Chilisin Holding
5.85%
94.15%
Chilisin Holding (Hong Kong)
100%
Mag. Layers International Co., Ltd.
65%
Mag. Layers USA, Inc.
100%
Magic Technology (Samoa) Co., Ltd.
100%
Dongguan Chilisin Electronics Co., Ltd.
100%
Hunan Chilisin Electronics Technology Co., Ltd.
100%
Shenzhen Chilisin Electronics Co., Ltd.
50%
Dongguan CNA Electronics Co., Ltd.
100%
Chilisin America Ltd.
100%
E-HENG Technology Co., Ltd.
100%
Bothhand International Investment Co., Ltd.
100%
Suzhou Qiyixin Electronics
100%
Chilisin Electronics (Vietnam) Limited company
100%
Mag. Layers International Co., Ltd.
100%
Magic Electronic Technology (Shenzhen) Co., Ltd.
100%
Classic Magic Developments Limited (Samoa)
100%
Trendy Island Investment Limited
100%
Magic Trade (Shenzhen) Co., Ltd.
100%
Magic Electronic Technology (Hunan) Co., Ltd.
100%
Guangzhou Bothhand Electronics Co., Ltd.
100%
Deyang Bothhand Electronics Co., Ltd.
100%
Shin Yuan Electronics Productions (Kunshan) Co., Ltd.
100%
Magic Electronic Technology (Chongqing) Co., Ltd.
100%
Guangzhou Chenghan Electronic Technology Co., Ltd.
100%
Deyang Shisheng Electronics Co., Ltd.
51%
Deyang Hongyi Electronics Co., Ltd.
67%
Ferroxcube Hong Kong Limited
33%
100%
Ferroxcube Polska Sp. Z.o.o.
100%
Hispano Ferritas S.A.
100%
Ferroxcube USA Inc.
100%
Ferroxcube Deutschland GmbH
100%
Ferroxcube Italia S.r.l.
100%
Ferroxcube Electronics (Dongguan) Limited

8.1.1.2 Basic Information of the Affiliated Companies:

As of December 31, 2022 Unit: $ thousand

Company Name	Establishing Date	Location	Paid-in Capital	Main Business and Products
Yageo Corporation	1987-09-09	Taiwan	NTD 4,212,608	Electronic components and related production machinery selling and manufacturing
Yageo Holding (Bermuda) Ltd.	1994-12-07	Bermuda	USD 17,411	Investment
Kuo-Shin Investment Ltd.	2001-03-01	Taiwan	NTD 893,000	Investment
Brightking Holdings Ltd.	2009-12-21	Cayman Islands	NTD 460,990	Holding company
Yageo Corporation (South Asia) Pte. Ltd.	2000-07-02	Singapore	-	Selling electronic components
Yageo Europe Holding B.V.	2009-12-04	Netherlands	NTD 41,454	Holding company
Yageo South Asia (M) Sdn. Bhd.	2014-10-07	Malaysia	-	Selling electronic components
Pulse Electronics Corp.	1947-04-10	USA	NTD 66,157	Holding company
Yageo Holding Hungary LLC	2020-01	Hungary	USD 13	Holding company
Chilisin Electronics Corp.	1972.8.30	Taiwan	NTD 3,167,207	Manufacturing and selling electronic components
Yageo USA (H.K.) Ltd.	1988-05-20	Hong Kong	USD 1,027	Selling passive components
Yageo (Hong Kong) Ltd.	2007-11-28	Hong Kong	HKD 1,030,499	Investment
Vitrohm Holding GmbH	1996-12-17	Germany	EUR 26	Investment
Yageo Korea	2001-09-04	Korea	KRW 100,000	Sales of resistors
Yageo Japan	2001-09-20	Japan	JPY 40,000	Sales of resistors
Hsu Tai International (H.K.) Ltd.	1996	Hong Kong	HKD 1	Investment
Brightking Enterprise (H.K.) Co., Ltd.	2003-10-02	Hong Kong	HKD 153,942	Selling overvoltage and overcurrent protection electronic components
Egston Holding GmbH	1990-07-13	Austria	USD 387	Holding company
Yageo Holding Netherlands B.V.	2022-12-27	Netherlands	USD 100	Investment
KEMET Corporation	1919	USA	-	Selling electronic components

Company Name	Establishing Date	Location	Paid-in Capital	Main Business and Products
Chilisin International Ltd.	1997-07-08	Samoa	USD 201,345	Selling electronic components
Chilisin Holding (Samoa) Ltd.	2001-06-12	Samoa	USD 7,280	Investment
Chilisin Holding (Hong Kong) Limited	2008-01-09	Hong Kong	USD 90,280	Investment
Chilisin Asia Investment Limited	2005-07-28	Samoa	USD 360	Investment
Ferroxcube International Holding B.V.	2000-04-14	Netherlands	EUR 150	Investment
Mag. Layers Scientific-Technics Co., Ltd.	1990-04-03	Taiwan	NTD 1,121,609	Manufacturing and selling electronic components
Magic Technology Co., Ltd.	1996-02-02	Taiwan	NTD 682,379	Selling electronic components
Bothhand Enterprise Inc.	1992-01-11	Taiwan	NTD 885,141	Manufacturing and selling computer components and electronic components
Yageo Electronics Holding (S) PTE. LTD.	2022-05-18	Singapore	-	Holding company
Yageo Electronics Investment (S) PTE. LTD.	2022-05-19	Singapore	-	Holding company
Ko-E Holding (Cayman)	2006-05-30	Cayman Islands	USD 7,000	Holding company
Yageo Electronics (China) Co., Ltd.	1996-03-19	Suzhou	CNY 2,197,055	Manufacturing and selling Passive components
Yageo Electronics (Dongguan) Co., Ltd.	1996-03-26	Dongguan	CNY 468,628	Manufacturing and selling Passive components
Yageo (Suzhou) Trade Co., Ltd.	2008-07-09	Suzhou	CNY 34,194	Selling passive components
Yageo Components (Suzhou) Co., Ltd.	2003-09-01	Suzhou	CNY 40,412	Manufacturing and selling Passive components
Ko-E (H.K.) Ltd.	2006-06-17	Hong Kong	HKD 27,223	Selling electronic components
Ko-E Electronics Trade Co., Ltd.	2019-11-22	Taiwan	NTD 45,000	Selling electronic components
Ko-E Electronic (Hong Kong) Ltd.	2021-02-18	Hong Kong	HKD 5,000	Selling electronic components
Bestbright Electronics Co., Ltd.	2007-07-23	Guangdong	CNY 69,079	Manufacturing and selling overvoltage and overcurrent protection electronic components
Ko-E Component Co., Ltd.	2011-01-28	Taiwan	NTD 129,393	Manufacturing and selling electronic components
Dongguan CNA Electronics Co., Ltd.	2014-05-12	Dongguan	USD 1,000	Manufacturing and selling electronic components

Company Name	Establishing Date	Location	Paid-in Capital	Main Business and Products
Dongguan Chilisin Electronics Co., Ltd.	1998-07-03	Dongguan	USD 495,060	Manufacturing and selling electronic components
Hunan Chilisin Electronics Technology Co., Ltd.	2017-04-06	Hunan	USD 69,000	Manufacturing and selling electronic components
Shenzhen Chilisin Electronics Co., Ltd.	2017-06-01	Shenzhen	USD 900	Selling electronic components
Suzhou Qiyixin Electronics Co., Ltd.	2015-05-25	Suzhou	USD 2,000	Selling electronic components
Chilisin Electronics (Vietnam) Limited company	2015-09-14	Vietnam	USD 102,000	Manufacturing and selling electronic components
Chilisin America Ltd.	2019-09-09	USA	USD 200	Selling electronic components
Mag Layers International Co.,Ltd.	2003-12-10	British Virgin Islands	USD 23,117	Investment
Mag Layers USA.Inc.	1998-10-13	USA	USD 360	Selling electronic components
Mag. Layers International Co., Ltd.	2001-04-02	Kunshan	USD 28,479	Manufacturing and selling passive components
Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	2003-03-21	Kunshan	CNY 41,446	Manufacturing and selling electronic components
Magic Technology（Samoa）Co.,Ltd.	2002-09-18	Samoa	USD 20,358	Investment
Magic Electronic Technology (Shenzhen) Co., Ltd.	2005-03-09	Shenzhen	USD 1,287	Manufacturing and selling electronic components
Classic Magic Developments Limited（Samoa）	2002-02-04	Samoa	USD 7,490	Selling electronic components
Magic Trade (Shenzhen) Co., Ltd.	2011-12-12	Shenzhen	USD 79	Selling electronic components
Trendy Island Investment Limited	2009-11-04	Samoa	USD 13,001	Investment
Magic Electronic Technology (Hunan) Co., Ltd.	2019-08-08	Hunan	USD 1,000	Manufacturing and selling electronic components
Magic Electronic Technology (Chongqing) Co., Ltd.	2011-08-10	Chongqing	USD 13,001	Manufacturing and selling electronic components
E-HENG Technology Co., Ltd.	2004-01-08	Taiwan	NTD 4,400	Manufacturing and selling computer components and electronic components
Bothhand International Investment Co.,Ltd.	1997-12-12	British Virgin Islands	USD 1,000	Investment
Ko-E Technology (Shenzhen) Co., Ltd.	2006-07-25	Shenzhen	CNY 25,748	Selling electronic components

Company Name	Establishing Date	Location	Paid-in Capital	Main Business and Products
BrightKing (Shenzhen) Co. Ltd.	2001-05-18	Shenzhen	CNY 20,000	Selling overvoltage and overcurrent protection electronic components
Yageo Components (Jiashan) Co, Ltd.	2016-07-06	Zhejiang	CNY 54,000	Manufacturing and selling overvoltage and overcurrent protection electronic components
Guangzhou Bothhand Electronics Co., Ltd.	2002-05-29	Guangzhou	USD 2,022	Manufacturing and selling computer components and electronic components
Deyang Bothhand Electronics Co., Ltd.	2005-12-27	Deyang	USD 5,000	Manufacturing and selling computer components and electronic components
BrightKing(Shanghai) Co., Ltd.	2002-10-17	Shanghai	CNY 6,000	Selling overvoltage and overcurrent protection electronic components
BrightKing (Beijing) Co., Ltd.	2005-03-15	Beijing	-	Selling overvoltage and overcurrent protection electronic components
KEMET Electronics Corporation	1987	USA	USD 31,744	Manufacturing and selling electronic components
TOKIN Corporation	1938-04-08	Japan	USD 200,358	Manufacturing and selling electronic components
Guangzhou Chenghan Electronic Technology Co., Ltd.	2009-10-21	Guangzhou	CNY 25,988	Manufacturing and selling computer components and electronic components
Deyang Shisheng Electronics Co., Ltd.	2013-08-30	Deyang	CNY 5,000	Manufacturing and selling computer components and electronic components
Deyang Hongyi Electronics Co., Ltd.	2016-07-22	Deyang	CNY 30,000	Manufacturing and selling computer components and electronic components

8.1.1.3 The Company does not have any other affiliated companies with a presumed controlling and dependency relationship according to Article 369.3 of the Company Law.

8.1.1.4 The overall affiliated company’s business operation covers the investment business and the manufacture and marketing of the Passive Components.

The division of labor among the affiliated companies: manufacture and marketing of Capacitor, Resistor and Tantalum capacitors.

8.1.1.5 Each Affiliated Company's Directors, Supervisors and GM:

As of December 31, 2022

Company Name	Title	Name or Representative	Shareholding	
			Shares or investment amount ($ Thousand)	Shareholding or investment ratio (%)
Yageo Corporation	Chairman	Tie-Min Chen	29,589 Thousand shares	7.02
	CEO & GM	Deng -Rue Wang	-	-
	Director	Hsu Tai Investment Ltd.／ Representatives: Chin-San Wang, Tzong-Yeong Lin, Ching-Chang Yen, Shih-Chien Yang, Deng -Rue Wang	3,199 Thousand shares	0.75
	Independent Director	Cheng-Ling Lee, Hong-So Chen , Hsu Tun Son Lin	-	-
Yageo Holding (Bermuda) Ltd. /(YHBL)	Chairman	Yageo／Eddie Chen	17,411 Thousand shares	100
	Director	Yageo／Eddie Chen, Kevin Yang, Jess Chen, Carol Feathers, George Jones		
Kuo-Shin Investment Ltd.	Chairman	Yageo／Tie-Min Chen	89,300 Thousand shares	100
	Director	Yageo／Tie-Min Chen, Deng -Rue Wang, Kevin Yang		
	Supervisor	Yageo／Freddy Wu		
Brightking Holdings Ltd.	Chairman	Yageo／Kevin Yang	45,608 Thousand shares	100
	Director	Yageo／Kevin Yang, Jesse Chen, Wynne Su		
Yageo Corporation (South Asia) Pte. Ltd.	Director	Yageo／Tan Yuw Ghee, Claudio Lollini, Alan Ko	-	100
Yageo Europe Holding B.V ./(YEHBV)	Director	Yageo／Deng -Rue Wang, Eddie Chen, Lillian Chu, Wynne Su	207,269 Thousand shares	100
Yageo South Asia (M) Sdn. Bhd.	Director	Yageo／Tan Yuw Ghee, Claudio Lollini, Alan Ko	-	100
Pulse Electronics Corp.	Director	Yageo／Tie-Min Chen, Deng -Rue Wang, Eddie Chen	25,574 Thousand shares	100
Yageo Holding Hungry LLC	Director	Yageo／Deng -Rue Wang, Kevin Yang	USD 13	100
Chilisin Electronics Corp.	Director	Yageo／Tie-Min Chen ,Deng -Rue Wang, Eddie Chen, Willem Jacobus Malherbe、Jerry Kuo	316,721 Thousand shares	100
Yageo USA (H.K.) Ltd.	Director	Yageo／Eddie Chen, Alan Ko, Eric Lee	USD 1,027	100
Yageo (Hong Kong) Ltd.	Director	YHBL／Kevin Yang, Alan Ko	1,030,499 Thousand shares	100
Vitrohm Holding GmbH	Director	YHBL／Phil Chiu, Lillian Chu, Wynne Su	EUR 26	100

Company Name	Title	Name or Representative	Shareholding	
			Shares or investment amount ($ Thousand)	Shareholding or investment ratio (%)
Yageo Korea	Director	YHBL／James Jung, Freddy Wu, Steven Hsieh	KRW 100,000	100
Yageo Japan	Director	YHBL／Eddie Chen, Alan Ko, Masayuki Fujimoto	JPY 40,000	100
	Supervisor	YHBL／Wynne Su		
Hsu Tai International (H.K.) Ltd.	Director	YHBL／Tie-Min Chen, Deng -Rue Wang, Eddie Chen	1 Thousand shares	100
Brightking Enterprise (H.K.) Co., Ltd.	Director	Brightking Holdings／Eddie Chen, Kevin Yang, Eric Lee	153,968 Thousand shares	100
Egston Holding GmbH	Director	Pulse／Kahwai Fok, Eddie Chen, Frank Wolfinger	EUR 387	100
Yageo Holding Netherlands B.V.	Director	Yageo Holding Hungry／Deng -Rue Wang, Eddie Chen, Wynne Su	USD 100	100
KEMET Corporation	Director	Yageo Holding Hungry／Tie-Min Chen, Deng -Rue Wang, Eddie Chen, William Milne Lowe Jr., Frank G. Brandenberg	1 Thousand shares	100
Chilisin International Ltd.	Director	Chilisin／Jerry Kuo	192,295 Thousand shares	100
Chilisin Holding (Samoa) Ltd.	Director	Chilisin／Jerry Kuo	7,280 Thousand shares	100
Chilisin Holding (Hong Kong) Limited	Director	Chilisin／Jerry Kuo Chilisin Holding (Samoa)	85,000 Thousand shares 5,280 Thousand shares	94.15 5.85
Chilisin Asia Investment Limited	Director	Chilisin／Jerry Kuo	360 Thousand shares	100
Ferroxcube International Holding B.V.	Director	Chilisin／Jerry Kuo, Sott Wei, Renata Szalinska, Helge Peters	EUR 150	100
Mag. Layers Scientific-Technics Co., Ltd.	Director	Chilisin／Jerry Kuo, Darren Hou, Mike Tsao	112,161 Thousand shares	100
	Supervisor	Chilisin／Larry Sun		
Magic Technology Co., Ltd.	Director	Chilisin／Jerry Kuo, Darren Hou, Justice Tsai	68,238 Thousand shares	100
Bothhand Enterprise Inc.	Director	Chilisin／Joseph Pan, Jerry Kuo, Darren Hou, Justice Tsai	88,514 Thousand shares	100
Yageo Electronics Holding (S) PTE. LTD. /(YEHSPL)	Director	YEHBV／Kevin Yang, Ko Guit Poh, Steven Hsieh	-	100
Yageo Electronics Holding (S) PTE. LTD	Director	YEHSPL／Kevin Yang, Ko Guit Poh, Steven Hsieh	-	100
Ko-E Holding (Cayman)	Chairman	YEHSPL／Alan Ko	7,000 Thousand shares	97.15
	Director	YEHSPL／Alan Ko, Eddie Chen, Freddy Wu		
Yageo Electronics (China) Co., Ltd.	Chairman, GM Director Supervisor	Yageo (HK)／TY Chang Yageo (HK)／TY Chang, Benjamin Huang, Jesse Chen Yageo (HK)／Eric Lee	CNY 2,197,055	100

Company Name	Title	Name or Representative	Shareholding	
			Shares or investment amount ($ Thousand)	Shareholding or investment ratio (%)
Yageo Electronics (Dongguan) Co., Ltd.	Chairman, GM Director	Yageo (HK)／Benjamin Huang Yageo (HK)／Benjamin Huang, TY Chang, Eric Lee	CNY 468,628	100
Yageo (Suzhou) Trade Co., Ltd.	Chairman Director Supervisor	Yageo (HK)／TY Chang Yageo (HK)／TY Chang, Benjamin Huang, Eric Lee Yageo (HK)／Alan Ko	CNY 34,194	100
Yageo Components (Suzhou) Co., Ltd.	Chairman GM Director Supervisor	Yageo (HK)／Phil Chiu Yageo (HK) Ltd.／Yita Liu Yageo (HK) Ltd.／Phil Chiu, Yita Liu, Deng -Rue Wang Yageo (HK) Ltd.／Owen Yang	CNY 40,412	100
Ko-E (H.K.) Ltd.	Chairman Director	Ko-E Holding (Cayman)／Alan Ko Ko-E Holding (Cayman)／Alan Ko, Tie-Min Chen, Deng -Rue Wang, Eddie Chen, Freddy Wu	HKD 27,223	100
Ko-E Electronics Trade Co., Ltd.	Chairman Director Supervisor	Ko-E Holding (Cayman)／Alan Ko Ko-E Holding (Cayman)／Alan Ko, Freddy Wu, Jesse Chen Ko-E Holding (Cayman)／Wynne Su	4,500 Thousand shares	100
Ko-E Electronic (Hong Kong) Ltd.	Chairman Director	Ko-E Holding (Cayman)／Alan Ko Ko-E Holding (Cayman)／Alan Ko, Tie-Min Chen, Deng -Rue Wang, Eddie Chen, Freddy Wu	5,000 Thousand shares	100
Bestbright Electronics Co., Ltd.	Chairman Director Supervisor	Brightking Enterprise (H.K.)／Benjamin Huang Brightking Enterprise (H.K.)／Benjamin Huang, TY Chang, Eric Lee Brightking Enterprise (H.K.)／Kevin Yang	CNY 69,079	100
Ko-E Component Co., Ltd.	Chairman Director Supervisor	Brightking Enterprise (H.K.)／Alan Ko Brightking Enterprise (H.K.)／Alan Ko, Freddy Wu, Jess Chen Brightking Enterprise (H.K.)／Wynne Su	12,939 Thousand shares	100
Dongguan CNA Electronics Co., Ltd.	Chairman Vice Chairman Director Supervisor	Chilisin International／Jerry Kuo Chilisin International／Chang Soo Kim Chilisin International／Mike Tsao, Sangho Yeo Chilisin International／Ted Chen, JEA IL Kim	USD 1,000	100

Company Name	Title	Name or Representative	Shareholding		
			Shares or investment amount ($ Thousand)		Shareholding or investment ratio (%)
Dongguan Chilisin Electronics Co., Ltd.	Director	Chilisin International／Jerry Kuo, CHI-TSAI Chen, Scott Wu	HKD	495,060	100
	Supervisor	Chilisin International／Ted Chen			
Hunan Chilisin Electronics Technology Co., Ltd.	Director	Chilisin International／Justice Tsai, Larry Sun, Mike Tsao	USD	69,000	100
	Supervisor	Chilisin International／Ted Chen,			
Shenzhen Chilisin Electronics Co., Ltd.	Director	Chilisin International／Jerry Kuo, Chi-Tsai Chen, Tse-An Kuo	USD	900	100
	Supervisor	Chilisin International／Ted Chen			
Suzhou Qiyixin Electronics Co., Ltd.	Director	Chilisin Holding (Samoa)／Jerry Kuo	USD	2,000	100
	Supervisor	Chilisin Holding (Samoa)／Steve Liao			
Chilisin Electronics (Vietnam) Limited company	Director	Chilisin Holding (HK)／Neo Yu	102,000	Thousand shares	100
Chilisin America Ltd.	Director	Chilisin Asia／Jerry Kuo	200	Thousand shares	100
Mag Layers International Co.,Ltd.	Director	Mag Layers／Jerry Kuo、Mike.Tsao、Darren Hou	25	Thousand shares	100
Mag Layers USA.Inc.	Director	Mag Layers／Steven Tennessen		-	100
Mag. Layers International Co., Ltd.	Director	Mag Layers International／Jerry Kuo、Mike.Tsao、Darren Hou	USD	28,479	100
	Supervisor	Mag Layers International／Larry Sun			
Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	Director	Mag. Layers／Mike.Tsao, Jerry Kuo, Sung-Yuan Chung	CNY	41,446	100
Magic Technology（Samoa）Co.,Ltd.	Director	Magic／Jerry Kuo	USD	20,358	100
Magic Electronic Technology (Shenzhen) Co., Ltd.	Director	Magic (Samoa）／Darren Hou	USD	1,287	100
	Supervisor	Magic (Samoa）／Justice Tsai			
Classic Magic Developments Limited （Samoa）	Director	Magic (Samoa）／Jerry Kuo	USD	7,490	100
Magic Trade (Shenzhen) Co., Ltd.	Director	Magic (Samoa）／Justice Tsai	USD	79	100
	Supervisor	Magic (Samoa）／Darren Hou			
Trendy Island Investment Limited	Director	Magic (Samoa）／Jerry Kuo	USD	13,001	100
Magic Electronic Technology (Hunan) Co., Ltd.	Director	Magic (Samoa）／Justice Tsai、Darren Hou、Jerry Kuo	USD	1,000	100
	Supervisor	Magic (Samoa）／Larry Sun			
Magic Electronic Technology (Chongqing) Co., Ltd.	Director	Trendy／ Darren Hou	USD	13,000	100
	Supervisor	Trendy／Ming-Tsun Chien			

Company Name	Title	Name or Representative	Shareholding	
			Shares or investment amount ($ Thousand)	Shareholding or investment ratio (%)
E-HENG Technology Co., Ltd.	Director	Bothhand／Joseph Pan	440 Thousand shares	100
Bothhand International Investment Co.,Ltd.	Director	Bothhand ／Joseph Pan	1,000 Thousand shares	100
Ko-E Technology (Shenzhen) Co., Ltd.	Chairman Director	Ko-E (H.K.)／Alan Ko Ko-E (H.K.)／Alan Ko, Eddie Chen, Eric Lee, Freddy Wu	CNY 25,748	100
BrightKing (Shenzhen) Co., Ltd.	Director Supervisor	Bestbright Electronics／Eric Lee Bestbright Electronics／Kevin Yang	CNY 20,000	100
Yageo Components (Jiashan) Co, Ltd.	Chairman Director Supervisor	Bestbright Electronics／TY Chang Bestbright Electronics／TY Chang, Eric Lee, Benjamin Huang Bestbright Electronics／Kevin Yang	CNY 54,000	100
Guangzhou Bothhand Electronics Co., Ltd.	Director Supervisor	Bothhand／Joseph Pan Bothhand／Hsiao-Chieh Pan Hsu	USD 2,022	100
Deyang Bothhand Electronics Co., Ltd.	Director	Bothhand／Joseph Pan	USD 5,000	100
BrightKing (Shanghai) Co., Ltd.	Director Supervisor	Brightking (Shenzhen) Co.,Ltd.／Eric Lee Brightking (Shenzhen) Co.,Ltd.／Kevin Yang	CNY 6,000	100
BrightKing (Beijing) Co., Ltd.	Director Supervisor	Brightking (Shenzhen) Co.,Ltd.／Eric Lee Brightking (Shenzhen) Co.,Ltd.／Kevin Yang	-	100
KEMET Electronics Corporation	Director	KEMET／Tie-Min Chen, Deng -Rue Wang, Eddie Chen, William Milne Lowe Jr., Frank G. Brandenberg	1 Thousand shares	100
TOKIN Corporation	Director	KEMET Electronics／Fumihiro Katakura, Masayuki Nakamura, Charles Cecil Meeks Jr., Michael Raynor,Eddie Chen	467,866 Thousand shares	100
Guangzhou Chenghan Electronic Technology Co., Ltd.	Director Supervisor	Guangzhou Bothhand／Joseph Pan Guangzhou Bothhand／Hai-Bin Lee	CNY 25,988	100
Deyang Shisheng Electronics Co., Ltd.	Director Supervisor	Deyang Bothhand／Joseph Pan Deyang Bothhand／Eg Liao	CNY 5,000	100
Deyang Hongyi Electronics Co., Ltd.	Chairman Director Supervisor	Deyang Shisheng／Joseph Pan Deyang Shisheng／Frankao Gao, Zhi-Jiang Yu Deyang Shisheng／Jing-Wei Wang, Wen-Wu Fu, Eg Liao	CNY 30,000	51

8.1.1.6 Each Affiliated Company’s Operating Results: Please refer to Attachment IV

As of December 31, 2022

Unit: NT$ thousand, except EPS in NT$

Company Name	Capital Stock	Total Assets	Total Liabilities	Net Worth	Operating Income	Operating Profit (Loss)	Net Income (Loss)	EPS (Loss) / NT$ (after tax)
Yageo Corporation	4,212,608	246,485,456	125,141,099	121,344,357	27,429,808	1,791,277	22,731,710	44.22
Yageo Holding (Bermuda) Ltd.	534,664	60,504,578	302,784	60,201,794	0	(182,383)	1,184,525	68.03
Ko-Shin Investment Limited.	893,000	1,104,544	100,226	1,004,319	0	(4,567)	229,826	2.57
Brightking Holdings Limited	460,990	2,118,420	226,980	1,891,440	0	(541)	100,867	2.21
Yageo Corporation (South Asia)	0	1,140,575	122,859	1,017,716	1,810,498	86,595	128,479	
Yageo Europe Holding B.V.	41,454	10,697,633	6,314,737	4,382,896	3,647,414	128,273	1,012,232	4.88
Yageo South Asia (M) Sdn. Bhd.	0	7,549	4,247	3,302	0	(28,222)	1,307	
Pulse Electronics Corporation	66,157	18,225,307	6,810,487	11,414,820	20,251,919	4,652,974	3,867,229	151.22
Yageo Holding Hungary LLC	395	75,466,307	5,949	75,460,358	0	(184)	12,952,278	
Chilisin Electronics Corp.	3,167,207	35,025,246	7,665,271	27,359,976	5,144,022	1,482,421	3,282,108	10.36
Yageo USA (H.K.) Limited	31,543	10,663,545	9,685,299	978,246	14,085,233	40,748	(79,074)	
Yageo (Hong Kong) Limited	4,058,313	26,681,076	12,773,641	13,907,436	0	(107)	1,043,603	1
Vitrohm Holding GmbH	837	403,334	83,618	319,717	8,833	7,323	21,282	
Yageo Korea	2,440	109,676	816	108,860	0	(25,432)	4,501	
Yageo Japan	9,320	17,909	4,082	13,827	1,100	(25,363)	(298)	
Hsu Tai International (H.K.) Ltd.	4	31,888	44	31,843	0	(74)	(2,891)	(2,891)
Brightking Enterprise (H.K.) Co., Ltd.	606,255	1,770,324	83	1,770,241	21,543	(2,963)	31,244	
Egston Holding GmbH	11,894	329,847	54,803	275,044	0	(330)	592,235	
Yageo Holding Netherlands B.V.	3,071	75,466,307	0	75,466,307	0	0	12,877,459	
KEMET Corporation	0	54,546,509	28,921,660	25,624,849	0	(1,922,436)	12,877,459	
Chilisin International Ltd.	6,182,911	8,954,657	646,482	8,308,175	1,337,295	16,056	570,188	2.97
Chilisin Holding (Samoa) Ltd.	223,554	390,012	0	390,012	0	0	(4,975)	
Chilisin Holding (Hong Kong) Limited	2,772,318	3,453,286	0	3,453,286	0	93	160,717	
Chilisin Asia Investment Limited	11,055	30,349	0	30,349	0	0	2,200	
Ferroxcube International Holding B.V.	4,914	3,907,204	751,591	3,155,612	2,813,663	518,063	413,742	

Company Name	Capital Stock	Total Assets	Total Liabilities	Net Worth	Operating Income	Operating Profit (Loss)	Net Income (Loss)	EPS (Loss) / NT$ (after tax)
Mag. Layers Scientific-Technics Co., Ltd.	1,121,609	4,114,171	1,656,434	2,457,737	2,857,722	512,584	679,084	6.05
Magic Technology Co., Ltd.	682,379	1,851,636	785,217	1,066,419	578,062	100,785	(98,864)	(1.45)
Bothhand Enterprise Inc.	885,141	2,597,003	589,230	2,007,773	1,679,345	234,420	344,137	3.89
Yageo Electronics Holding (S) PTE. LTD.	0	1,395,088	344	1,394,745	0	(1)	63,302	0.31
Ko-E Holding (Cayman)	0	145	916	(771)	0	(740)	(740)	
Yageo Electronics (China) Co., Ltd.	214,956	1,442,587	6,172	1,436,414	0	(559)	668,216	
Yageo Electronics (Dongguan) Co., Ltd.	9,705,492	26,701,388	15,114,064	11,587,324	12,269,827	1,271,481	1,390,279	
Yageo (Suzhou) Trade Co., Ltd.	2,070,166	7,002,023	4,249,903	2,752,120	7,746,773	513,237	438,486	
Yageo Components (Suzhou) Co., Ltd.	151,052	7,089,298	6,422,797	666,501	4,630,315	129,170	141,392	
Ko-E (H.K.) Limited	178,520	587,122	348,985	238,137	394,553	20,388	40,987	
Ko-E Electronics Trade Co., Ltd.	107,208	2,052,253	1,077,813	974,440	6,149,138	283,013	440,995	
Ko-E Electronic (Hong Kong) Limited	45,000	243,647	149,744	93,903	676,161	30,409	25,276	
Bestbright Electronics Co., Ltd.	19,691	1,450,679	1,215,762	234,917	5,407,339	251,416	207,963	
Ko-E Component Co., Ltd.	305,155	3,307,600	2,287,395	1,020,204	1,720,226	70,847	77,446	
Dongguan CNA Electronics Co., Ltd.	129,393	16,798	116,820	(100,022)	44,612	(1,029)	(18,451)	
Dongguan Chilisin Electronics Co., Ltd.	30,708	82,704	13,762	68,942	54,928	(9,912)	(3,785)	
Hunan Chilisin Electronics Technology Co., Ltd.	1,949,645	3,798,929	1,343,641	2,455,287	2,307,545	169,289	315,000	
Shenzhen Chilisin Electronics Co., Ltd.	2,118,852	3,416,443	1,271,250	2,145,193	2,124,304	265,094	257,575	
Suzhou Qiyixin Electronics Co., Ltd.	27,637	612,552	568,491	44,061	1,151,744	113,770	72,805	
Chilisin Electronics (Vietnam) Limited company	61,416	60,821	6,664	54,156	0	(21,578)	(12,721)	
Chilisin America Ltd.	3,132,216	3,945,360	659,285	3,286,075	1,761,550	144,651	129,333	1.27
Mag Layers International Co.,Ltd.	6,142	28,534	769	27,765	31,372	3,137	0	
Mag Layers USA.Inc.	709,879	1,510,791	0	1,510,791	0	0	153,994	
Mag. Layers International Co., Ltd.	11,055	154,351	76,430	77,921	251,501	16,421	8,662	
Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	874,533	3,538,017	2,540,081	997,937	2,423,397	227,752	194,550	

Company Name	Capital Stock	Total Assets	Total Liabilities	Net Worth	Operating Income	Operating Profit (Loss)	Net Income (Loss)	EPS (Loss) / NT$ (after tax)
Magic Technology（Samoa）Co.,Ltd.	183,090	816,859	579,593	237,266	451,739	1,057	(16,634)	
Magic Electronic Technology (Shenzhen) Co., Ltd.	625,143	1,453,684	0	1,453,684	0	(1)	(160,430)	
Classic Magic Developments Limited（Samoa）	39,521	213,229	156,540	56,689	0	(9,771)	5,762	
Magic Trade (Shenzhen) Co., Ltd.	229,988	355,168	69,039	286,130	150,952	8,887	5,514	
Trendy Island Investment Limited	2,426	220,179	95,493	124,686	140,243	(6,445)	(6,043)	
Magic Electronic Technology (Hunan) Co., Ltd.	399,235	872,732	544	872,188	0	0	(158,365)	
Magic Electronic Technology (Chongqing) Co., Ltd.	30,708	78,243	49,308	28,935	132,804	3,263	(841)	
E-HENG Technology Co., Ltd.	399,204	1,122,237	249,516	872,721	801,423	(195,206)	(158,364)	
Bothhand International Investment Co.,Ltd.	4,400	11,674	0	11,674	0	(127)	(4,000)	
Ko-E Technology (Shenzhen) Co., Ltd.	30,708	1,698,398	1,516	1,696,882	0	(176)	145,104	
Brightking (Shenzhen) Co., Ltd.	113,741	3,661,803	2,668,398	993,405	6,116,470	184,380	158,793	
Yageo Components (Jiashan) Co, Ltd.	88,350	0	0	0	489,771	0	(1,322)	
Guangzhou Bothhand Electronics Co., Ltd.	238,545	0	0	0	0	0	(3,439)	
Deyang Bothhand Electronics Co., Ltd.	62,092	203,928	3,338	200,590	0	(1,267)	8,401	
Brightking (Shanghai) Co., Ltd.	153,540	1,198,568	513,579	684,989	1,827,437	76,779	128,638	
Brightking (Beijing) Co., Ltd.	26,505	0	84	(84)	153,034	0	(23,548)	
KEMET Electronics Corporation	0	0	0	0	(398)	0	252	
TOKIN Corporation	974,795	58,202,957	20,388,467	37,814,490	45,327,246	13,100,544	13,984,014	
Guangzhou Chenghan Electronic Technology Co., Ltd.	6,152,593	18,677,274	8,633,566	10,043,708	14,788,868	3,098,129	2,316,481	
Deyang Shisheng Electronics Co., Ltd.	114,802	221,512	44,861	176,651	139,896	1,589	4,785	
Deyang Hongyi Electronics Co., Ltd.	22,088	110,473	20	110,453	0	(22)	25,650	

8.1.2 The companies to be included in the affiliate's consolidated financial statements are same as the companies to be included in the parent company-subsidiary consolidated financial statements in accordance with IFRS 10; therefore, the affiliate's consolidated financial statements will not be prepared separately.

8.1.3 The Company is not a subsidiary of other companies; therefore, it is not necessary to have the relationship report prepared.

8.2 The status of issuing private placement securities in the most recent year and up to the publication of the annual report: None

8.3 Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Years:

Unit: NT$ thousand; share, %

Subsidiary Name	Paid-in Capital	Fund Source	Shareholding Ratio of the Company	Date of Acquisition or Disposition	Shares and Amount Acquired	Shares and Amount Disposed	Investment Gain (Loss)	Shareholdings and Amounts up to the publication of the annual report	Mortgage	Endorsement Amount Made for the Subsidiary	Amount Loaned to the Subsidiary
Kuo-Shin Investment Ltd.	893,000	None	100	2022-01-05 (Note) 2022-11-03 (Note)	1,007,710 shares $537,110	- 205,649 shares $2,056	- -	802,061 shares $535,053	None	500,000	2,000,000

Note: Yageo and Chilisin completed their share exchange on January 5, 2022. Shares held of Chilisin Electronics Corp. were exchanged to shares of Yageo Corporation based on the exchange ratio. And Yageo's cash reduction on November 3, 2022 resulted in a reduction in the number of shares held.

8.4. Other necessary supplementary notes: None

IX. The occurrence of any events as stated in Article 36, paragraph 3,subparagraph 2 of the Securities Exchange Act that had significant impact on shareholder's equity or securities prices in the most recent year and up to the publication of the Annual Report: None.

Attachment I

Consolidated Financial Statements for the Years Ended December 31, 2022 and 2021 and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Yageo Corporation

Opinion

We have audited the accompanying consolidated financial statements of Yageo Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter paragraph below), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the consolidated financial statements for the year ended December 31, 2022 is as follows:

Occurrence of Sales Revenue from Customers

The primary source of revenue of the Group comes from the sales of passive electronic components. The operating revenue in 2022 from specific customers is significant to the consolidated financial statements and is one of the evaluation criteria to measure the operating performance of the Group; therefore, we considered sales authenticity relating to the operating revenue of these specific customers as a key audit matter for the annual audit.

Refer to Note 4 to the consolidated financial statements for accounting policies. Our audit procedures for the aforementioned key audit matter are described as follows:

1. We obtained an understanding of the processes of internal controls related to revenue recognition and evaluated the design, implementation, and operating effectiveness of internal controls over revenue recognition.

2. We made an inquiry on specific customers' public information and official website and assessed the reasonableness of customers' credit lines based on their scale and authenticity.

3. We obtained details of sales to specific customers and validated the details against the supporting documents, including sales orders, delivery orders, invoices, and receipt documents; we verified that the control of merchandise has been transferred to customers and the payments have been received.

Other Matter

We did not audit the financial statements of certain subsidiaries included in the consolidated financial statements of the Group as of and for the years ended December 31, 2022 and 2021. The total assets of these subsidiaries were NT$10,394,175 thousand, representing 3.75%, and NT$12,130,205 thousand, representing 4.99%, of the Group's total consolidated assets as of December 31, 2022 and 2021, respectively, and the total revenue of these subsidiaries was NT$9,448,631 thousand, representing 7.80%, and NT$10,312,343 thousand, representing 8.44%, of the Group's total consolidated revenue for the years ended December 31, 2022 and 2021, respectively. As disclosed in Note 14 to the accompanying consolidated financial statements, we also did not audit the financial statements of some investees accounted for using the equity method. The total investments in these investees accounted for using the equity method was NT$818,921 thousand, representing 0.34% of the Group's total consolidated assets as of December 31, 2021; the Group's total share of the profit of such associates was NT$75,546 thousand, representing 0.26% of the Group's consolidated profit before income tax for the year ended December 31, 2021. The financial statements of the aforementioned subsidiaries and investees accounted for using the equity method were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the related amounts included herein, is based solely on the reports of other auditors.

We have also audited the parent company only financial statements of the Company as of and for the years ended December 31, 2022 and 2021 on which we have issued an unqualified opinion with other matter paragraph.

Responsibilities of Management and Those Charged with Governance for 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 Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Yung-Hsiang Chao and Ching-Hsia Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 14, 2023

Notice to Readers

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

For the convenience of readers, the independent auditors' 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' report and consolidated financial statements shall prevail.

YAGEO CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022		2021 (Audited after Restatement)	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 39,420,666	14	$ 39,126,405	16
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	4,545,168	1	4,208,551	2
Financial assets at amortized cost - current (Notes 4 and 9)	13,157,089	5	10,764,884	4
Financial assets for hedging - current (Notes 4 and 10)	161,905	-	-	-
Notes receivable (Notes 4 and 11)	116,684	-	195,177	-
Trade receivables (Notes 4, 11, 33 and 34)	22,146,434	8	22,105,150	9
Other receivables (Notes 4 and 33)	2,252,805	1	1,072,785	1
Inventories (Notes 4, 12 and 34)	26,944,816	10	25,197,902	10
Prepayments	1,951,980	1	1,292,243	1
Other current assets	1,007,044	-	865,559	-
Total current assets	111,704,591	40	104,828,656	43
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	1,331,226	1	672,258	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	812,139	-	691,440	-
Financial assets at amortized cost - non-current (Notes 4 and 9)	20,400,172	7	9,143,579	4
Financial assets for hedging - non-current (Notes 4 and 10)	831,882	-	507,195	-
Investments accounted for using the equity method (Notes 4, 5 and 14)	3,395,606	1	1,517,420	1
Property, plant and equipment (Notes 4, 5, 15, 33 and 34)	59,871,278	22	50,695,356	21
Right-of-use assets (Note 4)	1,263,123	1	1,647,319	1
Investment properties (Notes 4, 16, 33, and 34)	36,936	-	135,632	-
Goodwill (Notes 4, 5 and 17)	47,848,779	17	44,131,198	18
Other intangible assets (Notes 4 and 18)	24,331,270	9	22,303,362	9
Deferred tax assets (Notes 4 and 25)	3,567,488	1	5,493,080	2
Refundable deposits	221,940	-	197,878	-
Other non-current assets	1,569,119	1	938,310	1
Total non-current assets	165,480,958	60	138,074,027	57
TOTAL	$ 277,185,549	100	$ 242,902,683	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 19 and 34)	$ 12,492,638	5	$ 26,005,204	11
Short-term bills payable (Note 19)	28,075,967	10	20,078,123	8
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	210,354	-	44,192	-
Financial liabilities for hedging - current (Notes 4 and 10)	-	-	8,326	-
Notes payable	852	-	4,722	-
Trade payables (Note 33)	14,353,411	5	18,626,978	8
Other payables (Notes 21 and 33)	23,136,523	8	15,126,324	6
Current tax liabilities (Notes 4 and 25)	5,930,871	2	4,295,120	2
Lease liabilities - current (Note 4)	321,627	-	441,465	-
Current portion of long-term borrowings and bonds payable (Notes 19 and 20)	9,172,781	3	830,508	-
Other current liabilities	1,221,072	1	708,909	-
Total current liabilities	94,916,096	34	86,169,871	35
NON-CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss (Notes 4 and 7)	-	-	18	-
Financial liabilities for hedging - non-current (Notes 4 and 10)	948,367	-	621,252	-
Bonds payables (Notes 4 and 20)	14,950,010	6	15,981,017	7
Long-term borrowings (Notes 19 and 34)	30,386,761	11	27,888,787	12
Deferred tax liabilities (Notes 4 and 25)	5,128,315	2	4,723,754	2
Lease liabilities - non-current (Note 4)	837,828	-	982,249	-
Net defined benefit liabilities - non-current (Notes 4 and 22)	2,261,457	1	2,547,605	1
Guarantee deposits received	281,411	-	276,976	-
Other non-current liabilities	5,925,987	2	4,285,304	2
Total non-current liabilities	60,720,136	22	57,306,962	24
Total liabilities	155,636,232	56	143,476,833	59
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital				
Ordinary shares	4,212,608	2	4,959,189	2
Bond conversion entitlement certificates	1,934	-	-	-
Total share capital	4,214,542	2	4,959,189	2
Capital surplus				
Issuance of ordinary shares	41,250,842	15	20,221,583	8
From share of changes in capital surplus of associates	151,159	-	1,574,490	1
Equity component of convertible bonds issued by the Company	277,878	-	252,844	-
Total capital surplus	41,679,879	15	22,048,917	9
Retained earnings				
Legal reserve	10,694,034	4	8,621,366	4
Special reserve	9,911,736	4	4,594,931	2
Unappropriated earnings	56,678,721	20	50,545,451	21
Total retained earnings	77,284,491	28	63,761,748	27
Other equity				
Exchange differences on translation of the financial statement of foreign operations	(421,272)	-	(9,753,973)	(4)
Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income	(14,098)	-	81,021	-
Gain on hedging instruments	631,535	-	198,811	-
Total other equity	196,165	-	(9,474,141)	(4)
Treasury shares	(2,030,720)	(1)	(1,879,155)	(1)
Total equity attributable to owners of the Company	121,344,357	44	79,416,558	33
EQUITY ATTRIBUTABLE TO FORMER OWNER OF BUSINESS COMBINATION UNDER COMMON CONTROL	-	-	223,991	-
NON-CONTROLLING INTERESTS	204,960	-	19,785,301	8
Total equity	121,549,317	44	99,425,850	41
TOTAL	$ 277,185,549	100	$ 242,902,683	100

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

(With Deloitte & Touche auditors` report dated March 14, 2023)

YAGEO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021 (Audited after Restatement)	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 33)				
Net sales	$ 121,086,925	100	$ 122,179,335	100
OPERATING COSTS (Notes 4, 12, 24 and 33)				
Cost of goods sold	75,068,171	62	75,561,160	62
GROSS PROFIT	46,018,754	38	46,618,175	38
OPERATING EXPENSES (Notes 4, 24 and 33)				
Selling and marketing expenses	6,545,841	6	6,823,044	6
General and administrative expenses	7,664,970	6	7,883,630	6
Research and development expenses	2,820,376	2	3,021,792	2
Expected credit gain (Notes 4 and 11)	(194)	-	(93,636)	-
Total operating expenses	17,030,993	14	17,634,830	14
PROFIT FROM OPERATIONS	28,987,761	24	28,983,345	24
NON-OPERATING INCOME AND EXPENSES				
Finance costs (Notes 4 and 24)	(1,259,408)	(1)	(1,062,073)	(1)
Share of profit or loss of associates and joint ventures	184,656	-	224,291	-
Interest income (Note 4)	1,560,937	1	975,285	1
Rental income (Notes 4 and 33)	33,899	-	40,987	-
Gain (loss) on financial instruments at fair value through profit or loss	757,192	1	(16,031)	-
Other gains and losses (Note 24)	862,983	1	(441,603)	-
Total non-operating income and expenses	2,140,259	2	(279,144)	-
PROFIT BEFORE INCOME TAX	31,128,020	26	28,704,201	24
INCOME TAX EXPENSE (Notes 4 and 25)	8,358,145	7	6,965,796	6
NET PROFIT FOR THE YEAR	22,769,875	19	21,738,405	18

(Continued)

YAGEO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021 (Audited after Restatement)	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 22)	$ 300,511	-	$ 131,246	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Notes 4 and 23)	(74,448)	-	1,167	-
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	(23,253)	-	8,468	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 25)	(6,717)	-	(5,816)	-
	196,093	-	135,065	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations (Notes 4 and 23)	12,533,339	10	(6,641,218)	(6)
Gain (loss) on hedging instruments	432,724	1	(151,496)	-
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method (Notes 4 and 23)	94,178	-	(31,622)	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4 and 25)	(2,336,031)	(2)	1,271,434	1
	10,724,210	9	(5,552,902)	(5)
Other comprehensive income (loss) for the year, net of income tax	10,920,303	9	(5,417,837)	(5)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 33,690,178	28	$ 16,320,568	13
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 22,730,465	19	$ 22,902,546	19
Former owner of business combination under common control	1,245	-	(59,433)	-
Non-controlling interests	38,165	-	(1,104,708)	(1)
	$ 22,769,875	19	$ 21,738,405	18

(Continued)

YAGEO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021 (Audited after Restatement)	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 33,644,658	28	$ 17,792,056	14
Former owner of business combination under common control	1,245	-	(73,249)	-
Non-controlling interests	44,275	-	(1,398,239)	(1)
	$ 33,690,178	28	$ 16,320,568	13
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 26)				
Basic	$ 44.22		$ 46.13	
Diluted	$ 43.21		$ 44.85	

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

(With Deloitte & Touche auditors' report dated March 14, 2023) (Concluded)

YAGEO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owner of the Company																
	Capital (Note 23)					Retained Earnings				Other Equity							
	Ordinary Shares	Capital Collected in Advance	Bond Conversion Entitlement Certificates	Total	Capital Surplus (Notes 23, 27, 28 and 30)	Legal Reserve (Note 23)	Special Reserve (Note 23)	Unappropriated Earnings (Note 23)	Total	Exchange Differences on Translation of the Financial Statements of Foreign Operations (Notes 4 and 23)	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Notes 4 and 23)	Gain (Loss) on Hedging Instruments (Notes 4 and 23)	Treasury Shares (Note 23)	Total	Equity Attributable to Former Owner of Business Combination Under Common Control (Note 23)	Non-controlling Interests (Notes 23, 29 and 30)	Total Equity
BALANCE, JANUARY 1, 2021	$ 4,969,433	$ 408	$ -	$ 4,969,841	$ 23,099,157	$ 7,331,396	$ 2,945,827	$ 36,725,189	$ 47,002,412	$ (4,665,523)	$ 71,291	$ 350,307	$ (2,421,552)	$ 68,405,933	$ -	$ 38,474	$ 68,444,407
Retrospective restatement of business combinations under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	99,243	29,832,265	29,931,508
BALANCE AT JANUARY 1, 2021 AFTER RESTATEMENT	4,969,433	408	-	4,969,841	23,099,157	7,331,396	2,945,827	36,725,189	47,002,412	(4,665,523)	71,291	350,307	(2,421,552)	68,405,933	99,243	29,870,739	98,375,915
Appropriation of the 2020 earnings																	
Legal reserve	-	-	-	-	-	1,289,970	-	(1,289,970)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	1,649,104	(1,649,104)	-	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	(3,967,351)	(3,967,351)	-	-	-	-	(3,967,351)	-	-	(3,967,351)
Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(23,405)	(474,617)	(498,022)
Changes in capital surplus from investments in associates accounted for by using equity method	-	-	-	-	(4,589)	-	-	(10,116)	(10,116)	-	-	-	-	(14,705)	221,402	648,311	855,008
Issuance of share dividends from capital surplus	-	-	-	-	(991,838)	-	-	-	-	-	-	-	-	(991,838)	-	-	(991,838)
Net profit for the year ended December 31, 2021	-	-	-	-	-	-	-	22,902,546	22,902,546	-	-	-	-	22,902,546	(59,433)	(1,104,708)	21,738,405
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	-	116,762	116,762	(5,088,450)	12,694	(151,496)	-	(5,110,490)	(13,816)	(293,531)	(5,417,837)
Buy-back of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	(1,879,155)	(1,879,155)	-	-	(1,879,155)
Cancelation of treasury shares	(29,650)	-	-	(29,650)	(106,433)	-	-	(2,285,469)	(2,285,469)	-	-	-	2,421,552	-	-	-	-
Actual acquisitions or disposals of interests in subsidiaries	-	-	-	-	(2,285)	-	-	-	-	-	-	-	-	(2,285)	-	-	(2,285)
Recognition of employee share options by the Company	19,406	(408)	-	18,998	54,905	-	-	-	-	-	-	-	-	73,903	-	-	73,903
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	139,107	139,107
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	2,964	2,964	-	(2,964)	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2021	4,959,189	-	-	4,959,189	22,048,917	8,621,366	4,594,931	50,545,451	63,761,748	(9,753,973)	81,021	198,811	(1,879,155)	79,416,558	223,991	19,785,301	99,425,850
Appropriation of the 2021 earnings																	
Legal reserve	-	-	-	-	-	2,072,668	-	(2,072,668)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	5,316,805	(5,316,805)	-	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	(5,400,560)	(5,400,560)	-	-	-	-	(5,400,560)	-	-	(5,400,560)
Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(64,632)	(64,632)
Changes in capital surplus from investments in associates accounted for by using equity method	-	-	-	-	(2,533)	-	-	-	-	-	-	-	-	(2,533)	-	-	(2,533)
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	-	22,730,465	22,730,465	-	-	-	-	22,730,465	1,245	38,165	22,769,875
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	-	293,794	293,794	10,285,376	(97,701)	432,724	-	10,914,193	-	6,110	10,920,303
Capital reduction	(1,080,112)	-	-	(1,080,112)	73	-	-	(365,145)	(365,145)	-	-	-	385,545	(1,059,639)	-	-	(1,059,639)
Restructing	477,793	-	-	477,793	20,691,277	-	-	-	-	(952,675)	1,993	-	(537,110)	19,681,278	(225,236)	(19,456,042)	-
Convertible bonds converted to ordinary shares	3,578	-	1,934	5,512	233,971	-	-	-	-	-	-	-	-	239,483	-	-	239,483
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	(5,172,415)	(5,172,415)	-	-	(5,172,415)
Cancelation of treasury share	(147,880)	-	-	(147,880)	(1,289,313)	-	-	(3,735,222)	(3,735,222)	-	-	-	5,172,415	-	-	-	-
Actual acquisitions or disposals of interests in subsidiaries	-	-	-	-	(3,321)	-	-	-	-	-	-	-	-	(3,321)	-	(99,159)	(102,480)
Recognition of employee share options by the Company	40	-	-	40	808	-	-	-	-	-	-	-	-	848	-	-	848
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,783)	(4,783)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	(589)	(589)	-	589	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2022	$ 4,212,608	$ -	$ 1,934	$ 4,214,542	$ 41,679,879	$ 10,694,034	$ 9,911,736	$ 56,678,721	$ 77,284,491	$ (421,272)	$ (14,098)	$ 631,535	$ (2,030,720)	$ 121,344,357	$ -	$ 204,960	$ 121,549,317

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

(With Deloitte & Touche auditors' report dated March 14, 2023)

YAGEO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021 (Audited after Restatement)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 31,128,020	$ 28,704,201
Adjustments for:		
Expected credit loss reversed on trade receivables	(194)	(93,636)
Depreciation expense	6,991,227	6,890,373
Amortization expense	683,656	663,292
Amortization of prepayments	13,135	20,071
Net loss (gain) on fair value change of financial assets and liabilities at fair value through profit or loss	(757,192)	16,031
Finance costs	1,259,408	1,062,073
Interest income	(1,560,937)	(975,285)
Dividend income	(32,614)	(11,117)
Share of profit of associates and joint ventures, net	(184,656)	(224,291)
Net loss (gain) on disposal of property, plant and equipment and investment properties	(24,127)	3,041
Loss on disposal of intangible assets	-	6,711
Impairment loss recognized on non-financial assets	-	1,578,168
Write-down of inventories	720,580	-
Reversal of write-down of inventories	-	(109,571)
Loss (gain) on disposal of Subsidiary	(39,923)	50,081
Net loss (gain) on foreign currency exchange	(44,914)	4,821
Changes in operating assets and liabilities		
Financial assets mandatorily classified at fair value through profit or loss	1,836,238	(394,259)
Notes receivable	78,493	11,409
Trade receivables	1,223,819	(2,622,088)
Trade receivables of related parties	(177,790)	(146,984)
Other receivables	(1,011,760)	(321,781)
Other receivables of related parties	2,405	1,360
Inventories	(951,823)	(7,083,002)
Prepayments	(676,588)	(222,378)
Other current assets	(141,495)	(143,302)
Notes payable	(3,870)	(852)
Trade payables	(4,955,637)	2,829,711
Trade payables of related parties	(100,731)	222,381
Other payables	5,605,629	3,233,240
Other payables of related parties	(9,912)	5,694
Other current liabilities	416,473	42,408
Other non-current liabilities	639,515	1,708,893
Net defined benefit liabilities	(252,564)	(458,445)
Cash generated from operations	39,671,871	34,246,968
Interest received	1,390,272	927,257
Dividend received	32,614	11,117

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YAGEO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021 (Audited after Restatement)
Interest paid	$ (1,117,427)	$ (973,090)
Income tax paid	(6,966,937)	(6,644,962)
Net cash generated from operating activities	33,010,393	27,567,290
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(188,984)	(606,869)
Purchase of financial assets at amortized cost	(17,939,852)	(7,159,586)
Proceeds from sale of financial assets at amortized cost	5,373,897	7,147,097
Purchase of financial assets at fair value through profit or loss	(19,707,311)	(2,002,519)
Proceeds from sale of financial assets at fair value through profit or loss	17,801,403	360,701
Acquisition of associates	(151,291)	(35,342)
Proceeds from disposal of associates	-	175,518
Acquisition of subsidiaries	-	(4,167,037)
Net cash inflow (outflow) on disposal of subsidiaries	(1,566,609)	5,252,646
Proceeds from capital reduction of associates	16,250	-
Payments for property, plant and equipment	(12,444,277)	(10,620,170)
Proceeds from disposal of property, plant and equipment	549,856	733,961
Increase in refundable deposits	(33,144)	(36,369)
Decrease in refundable deposits	3,478	18,130
Payments for intangible assets	(709,742)	(427,809)
Proceeds from disposal of investment properties	120,679	-
Increase in other non-current assets	-	(5,635)
Increase in prepayments for equipment	(736,795)	(315,729)
Dividends received from associates	98,642	19,886
Net cash used in investing activities	(29,513,800)	(11,669,126)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(13,512,249)	(15,431,082)
Proceeds from short-term bills payable	8,000,851	18,877,772
Proceeds from issuance of convertible bonds	4,494,395	9,986,550
Repayment of buy-back bonds payable	(131,200)	-
Proceeds from long-term borrowings	62,810,784	37,374,866
Repayments of long-term borrowings	(57,202,478)	(46,981,581)
Proceeds from guarantee deposits received	60,115	83,610
Refund of guarantee deposits received	(56,040)	(34,383)
Dividends paid to owners of the Company	(5,400,494)	(4,959,147)
Reduction of capital	(1,069,892)	-
Proceeds from employee share options	848	84,919

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YAGEO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021 (Audited after Restatement)
Payments for buy-back of ordinary shares	$ (5,172,415)	$ (1,879,338)
Change in non-controlling interests	(72,736)	(361,200)
Net cash used in financing activities	(7,250,511)	(3,239,014)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	4,048,179	(422,447)
NET INCREASE IN CASH AND CASH EQUIVALENTS	294,261	12,236,703
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	39,126,405	26,889,702
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 39,420,666	$ 39,126,405

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

(With Deloitte & Touche auditors' report dated March 14, 2023) (Concluded)

1. GENERAL INFORMATION

Yageo Corporation (the "Company") was incorporated in 1987 in the Republic of China (ROC). The Company's shares are traded on the Taiwan Stock Exchange. The Company mainly manufactures and sells passive components.

In 2018, the Company acquired 100% equity interest of Brightking Holdings Limited and Pulse Electronics Corporation in a cash settlement amounting to NT$3,328,253 thousand and US$721,461 thousand, respectively. In June 2020, the Company acquired 100% equity interest of KEMET Corporation in a cash settlement amounting to US$1,636,052 thousand.

In June and September 2021, the board of directors and shareholders of the Company, respectively, resolved in their meeting to acquire 100% of the interest of Chilisin Electronics Corp. in a share exchange agreement. The estimated exchange ratio was 0.2002 ordinary shares of the Company for 1 ordinary share of Chilisin Electronics Corp. After the share exchange, Chilisin Electronics Corp. became a 100%-owned subsidiary of the Company and terminated its listing. The transaction was completed in January 2022, and the Company issued 47,779 thousand ordinary shares.

The consolidated financial statements of the Company and its subsidiaries, collectively referred to as the "Group", are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 14, 2023.

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

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

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

   1) Amendments to IFRS 3 "Reference to the Conceptual Framework"

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

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

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

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

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

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

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

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

1) Amendments to IAS 1 “Disclosure of Accounting Policies”

The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

– Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

– The Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and

– Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

a) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

b) The Group chose the accounting policy from options permitted by the standards;

c) The accounting policy was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS that specifically applies;

d) The accounting policy relates to an area for which the Group is required to make significant judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions; or

e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

2) Amendments to IAS 8 "Definition of Accounting Estimates"

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Group may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

3) Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporary differences arise on initial recognition. The Group will recognize a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations on January 1, 2022, and recognize the cumulative effect of initial application in retained earnings at that date. The Group will apply the amendments prospectively to transactions other than leases and decommissioning obligations that occur on or after January 1, 2022.

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

c. The IFRSs 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 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

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

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

1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

   The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

   Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group's share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group's share of the gain or loss is eliminated.

2) Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (referred to as the "2020 amendments") and "Non-current Liabilities with Covenants" (referred to as the "2022 amendments")

   The 2020 amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right.

   The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Group shall disclose information that enables users of financial statements to understand the risk of the Group that may have difficulty complying with the covenants and repay its liabilities within twelve months after the reporting period.

   The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Group's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

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 an 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 an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition of an investment in an associate.

See Note 13, Tables 8 and 9 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred and the fair value of the acquirer's previously held interests in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

f. Business combinations under common control

Business combinations under common control are accounted for applying the book-value method. Comparative information of the prior period in the consolidated financial statements is restated as if the combination had already occurred.

The Group acquired an associate in an organizational restructuring within the Group due to economic substance, which shall be regarded as a combination from the beginning, and the Group restated the consolidated financial statements for the prior period. In preparing the consolidated comparative balance sheet and the consolidated comparative statement of changes in equity, the equity held by the original shareholders of the associate was attributable to "Equity attributable to the former owner of business combination under common control" and "Non-controlling interests", respectively. In preparing the consolidated comparative income statement, the profit or loss recognized by the original shareholders of the associate was attributable to "Former owner of business combination under common control" and "Non-controlling interests".

g. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise except for exchange differences on:

- Transactions entered into in order to hedge certain foreign currency risks; and

- Monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the functional currencies of the Company's foreign operations (including subsidiaries and associates in other countries that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences are recognized in other comprehensive income.

h. Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

i. Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Group uses the equity method to account for its investments in associates and joint ventures.

Under the equity method, investments in an associate and a joint venture are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of the equity of associates and joint ventures.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate and a joint venture at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate and a joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate and joint venture. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate and a joint venture equals or exceeds its interest in that associate and joint venture (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate and joint venture), the Group discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate and joint venture.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate and a joint venture. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate and joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and joint venture. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate and joint venture on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

When the Group transacts with its associate and joint venture, profits and losses resulting from the transactions with the associate and joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate and joint venture that are not related to the Group.

j. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties include right-of-use assets and properties under construction that meet the definition of investment properties. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

l. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

m. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Internally-generated intangible assets - research and development expenditures

Expenditures on research activities are recognized as expenses in the period in which they are incurred.

An internally-generated intangible asset arising from the development phase of an internal project is recognized if, and only if, all of the following have been demonstrated:

– The technical feasibility of completing the intangible asset so that it will be available for use or sale;

– The intention to complete the intangible asset and use or sell it;

– The ability to use or sell the intangible asset;

– How the intangible asset will generate probable future economic benefits;

– The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;

– The ability to measure reliably the expenditures attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible asset is the sum of the expenditures incurred from the date when such an intangible asset first meets the recognition criteria listed above. Subsequent to initial recognition, such intangible asset is measured on the same basis as an intangible asset that is acquired separately.

3) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

4) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

n. Impairment of property, plant and equipment, right-of-use asset, investment properties, intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

o. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 32: Financial Instruments.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents and trade receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. When a financial asset is more than 180 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the following situations, all financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when such financial liabilities are held for trading.

Financial liabilities held for trading are stated at fair value, and any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any interest or dividends paid on such financial liability.

Fair value is determined in the manner described in Note 32.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

5) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross-currency swap contracts.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

p. Hedge accounting

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

1) Cash flow hedges

The effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as reclassification adjustments in the line items relating to the hedged item in the same period in which the hedged item affects profit or loss. If a hedge of a forecasted transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that was previously recognized in other comprehensive income (from the period in which the hedge was effective) remains separately in equity until the forecasted transaction occurs. When a forecasted transaction is no longer expected to occur, the gains or losses accumulated in equity are recognized immediately in profit or loss.

2) Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The gains and losses on the hedging instrument relating to the effective portion of the hedge, which were accumulated in the foreign currency translation reserve, are reclassified to profit or loss on the disposal or partial disposal of a foreign operation.

q. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods comes from sales of passive components and other electronic components. Sales of passive components and other electronic components are recognized as revenue when the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

r. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. However, if leases transfer ownership of the underlying assets to the Group by the end of the lease terms or if the costs of right-of-use assets reflect that the Group will exercise a purchase option, the Group depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee’s incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

s. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

t. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur, or when the plan amendment or curtailment occurs. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

u. Employee share options

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vested immediately. The grant date of treasury shares transferred to employees is the date on which the employees are informed.

At the end of each reporting period, the Group revises its estimate of the number of employee share options that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

v. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, 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 Group considers the possible impact of the recent development of the COVID-19 and the economic environment implications of the military conflict between Russia and Ukraine and related international sanctions when making its critical accounting estimates. The estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods. Refer to the consolidated financial statements for the year ended December 31, 2022.

Critical Accounting Judgments

Significant influence over associates

The Group has significant influence over an investee even though the Group holds less than 20% of the voting rights of the investee

As stated in Note 14, several companies are associates of the Group although the Group holds less than 20% of the voting rights of each of these companies. The Group has significant influence over these companies by virtue of the right to appoint and remove directors from the board of directors of these companies.

Key Sources of Estimation Uncertainty

a. Impairment of property, plant and equipment

   The impairment of equipment in relation to the production of passive components was based on the recoverable amounts of the equipment, which is the higher of its fair value less costs of disposal and its value in use. Any changes in the market prices or future cash flows will affect the recoverable amount of the equipment and may lead to the recognition of additional impairment losses or the reversal of impairment losses.

b. Impairment of goodwill

   Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The calculation of the value in use requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	2021
Cash on hand	$ 6,068	$ 7,211
Checking accounts and demand deposits	35,325,734	35,955,154
Cash equivalents (investments with original maturities of less than 3 months)		
Short-term bills	-	164,984
Time deposits	4,088,864	2,999,056
	$ 39,420,666	$ 39,126,405

The market rate intervals of cash in the bank at the end of the year were as follows:

	December 31	
	2022	2021
Short-term bills	-	0.23%
Time deposits	1.62%-5.30%	0.11%-2.50%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2022	2021
Financial assets at fair value through profit or loss (FVTPL) - current		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts (a)	$ 467,277	$ 138,679
Swap contracts (b)	65,817	15,585
Cross-currency swap contracts (c)	80,856	-
Convertible options (Note 20)	283	848
Non-derivative financial assets		
Overseas listed shares	37,771	213,767
Hybrid financial assets		
Structured deposits (d)	3,893,164	3,839,672
	$ 4,545,168	$ 4,208,551
Financial assets at FVTPL - non-current		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts (a)	$ -	$ 319
Swap contracts (b)	43,041	-
Non-derivative financial assets		
Overseas listed shares	70,357	49,875
Overseas unlisted shares	653	625
Domestic unlisted shares	46,104	46,104

(Continued)

	December 31	
	2022	2021
Foreign public funds	$ -	$ 219,706
Foreign private funds	362,719	355,629
Hybrid financial assets		
Credit-linked and interest-linked structured notes (e)	808,352	-
	$ 1,331,226	$ 672,258
Financial liabilities at FVTPL - current		
Financial liabilities mandatorily classified as at FVTPL		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts (a)	$ 177,992	$ 26,884
Swap contracts (b)	40	-
Cross-currency swap contracts (c)	-	14,615
Convertible options (Note 20)	32,322	2,693
	$ 210,354	$ 44,192
Financial liabilities at FVTPL - non-current		
Financial liabilities mandatorily classified as at FVTPL		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts (a)	$ -	$ 18

(Concluded)

a. At the end of the year, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2022			
Buy	USD/NTD	2023.01.03-2023.11.17	USD230,000/NTD6,573,997
Buy	USD/RMB	2023.01.04-2023.04.06	USD85,071/RMB588,826
Buy	USD/HKD	2023.02.03	USD1,070/HKD8,331
Buy	EUR/NTD	2023.04.06-2023.07.03	EUR40,000/NTD1,261,756
Buy	RMB/NTD	2023.02.02	RMB63,000/NTD276,040
Sell	USD/NTD	2023.01.03-2023.06.21	USD100,000/NTD2,863,974
Sell	GBP/USD	2023.01.31	GBP7,466/USD9,000
Sell	USD/THB	2023.01.24	USD15,000/THB526,510
Sell	USD/PLN	2023.01.05-2023.01.17	USD7,400/PLN34,111
Sell	RMB/NTD	2023.02.02	RMB63,000/NTD277,948
December 31, 2021			
Buy	USD/NTD	2022.01.28-2023.01.04	USD452,806/NTD12,308,473
Buy	USD/THB	2022.01.18	USD8,006/THB267,184
Buy	USD/RMB	2022.01.25-2022.07.12	USD8,000/RMB51,553

(Continued)

	Currency	Maturity Date	Notional Amount (In Thousands)
Buy	USD/HKD	2022.01.12-2022.01.18	USD14,080/HKD109,683
Buy	USD/PLN	2022.01.18	USD7,000/PLN28,617
Buy	EUR/PLN	2022.01.10	EUR7,000/PLN30,248
Sell	USD/RMB	2022.01.10-2023.01.04	USD164,331/RMB1,064,854
Sell	USD/HKD	2022.01.04-2022.01.18	USD19,602/HKD141,642
Sell	USD/JPY	2022.01.11-2022.02.25	USD60,148/JPY6,871,431
Sell	USD/GBP	2022.01.31	USD14,000/GBP10,417
Sell	USD/THB	2022.01.18-2022.03.21	USD32,000/THB1,070,351

(Concluded)

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

b. At the end of the reporting period, outstanding swap contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2022			
Buy	RMB/NTD	2023.01.04-2023.02.23	RMB224,000/NTD983,409
Buy	USD/NTD	2023.01.17-2024.03.29	USD55,500/NTD1,584,838
Buy	EUR/NTD	2023.03.31-2023.09.06	EUR18,000/NTD560,412
Sell	USD/NTD	2023.01.17	USD850/NTD26,029
December 31, 2021			
Buy	RMB/NTD	2022.01.18-2022.02.25	RMB23,994/NTD103,925
Buy	USD/NTD	2022.01.06-2022.01.24	USD6,500/NTD180,658
Sell	USD/NTD	2022.01.19-2022.06.10	USD75,360/NTD2,101,514
Sell	USD/RMB	2022.01.18	USD1,558/RMB10,000

The Group entered into swap contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

c. At the end of the year, outstanding cross-currency swap contracts not under hedge accounting were as follows:

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
December 31, 2022			
US$ 20,000	2023.03.07	0.60%	SOFR+0.55%
US$ 40,000	2023.08.18	1.32%	SOFR+0.60%
December 31, 2021			
US$ 40,000	2022.04.28	0.69%	3M Libor+0.55%
US$ 30,000	2022.10.28	0.58%	1M Libor+0.40%

The Group entered into cross-currency swap contracts to manage exposures to exchange rate and interest rate fluctuations of foreign currency denominated assets and liabilities.

d. Structured deposits

The Group entered into a dual currency structured time deposit contract with a bank. The structured time deposit contract includes a dual currency structured time deposit contract. The currency of the principal redeemed on such date will be determined based on the foreign exchange rate. The entire contract was assessed and classified mandatorily as at FVTPL since it contained a host that is an asset within the scope of IFRS 9.

e. Credit-linked and interest-linked structured notes

The Group entered into a structured notes contract with a bank. The structured notes contract includes an embedded derivative instrument which is not closely related to the host contract. The entire contract was assessed and classified mandatorily as at FVTPL since it contained a host that is an asset within the scope of IFRS 9.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2022	**2021**
Non-current		
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)	$ 812,139	$ 691,440

Investments in equity instruments at FVTOCI

	December 31	
	2022	**2021**
Non-current		
Domestic investments		
Listed shares	$ 811,028	$ 689,819
Emerging market shares	1,111	1,621
	$ 812,139	$ 691,440

These investments in equity instruments are held for medium- to long-term strategic purposes and expected to profit through long-term investments. 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.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2022	2021
Current		
Time deposits with original maturities of more than 3 months (a)	$ 13,157,089	$ 10,334,594
Corporate bonds (b)	-	430,290
	$ 13,157,089	$ 10,764,884
Non-current		
Corporate bonds (b)	$ 13,905,510	$ 6,711,391
Time deposits with original maturities of more than 1 year (a)	6,494,662	2,432,188
	$ 20,400,172	$ 9,143,579

a. The ranges of interest rates for time deposits were approximately 1.03%-5.60% and 0.30%-4.00% per annum as of December 31, 2022 and 2021, respectively.

b. At the end of the year, corporate bonds bought by the Group were as follows:

December 31, 2022

Non-current

Period	Purchase Amount (In Thousands)	Coupon Rate	Rate of Effective Interest
September 2017	US$ 5,200	4.10%	3.13%-3.15%
August 2018	US$ 3,000	4.10%	3.84%-3.87%
October to December 2020	US$ 31,000	1.33%-3.75%	2.02%-3.75%
January to September 2021	US$ 61,210	2.30%-7.50%	1.89%-5.85%
February to June 2021	RMB 389,000	2.95%-3.24%	2.95%-3.24%
June to September 2021	EUR 16,300	4.38%-6.00%	1.13%-2.26%
January to November 2022	US$ 248,050	0.75%-6.35%	1.92%-7.42%
May to September 2022	EUR 35,000	1.38%-2.65%	3.10%-4.26%

December 31, 2021

Current

Period	Purchase Amount (In Thousands)	Coupon Rate	Rate of Effective Interest
July 2021	RMB 100,000	-	2.85%

Non-current

Period	Purchase Amount (In Thousands)		Coupon Rate	Rate of Effective Interest
August to September 2017	US$	40,600	3.25%-4.88%	2.93%-3.66%
August to November 2018	US$	6,695	4.10%-4.88%	3.84%-3.95%
October to December 2020	US$	33,000	1.33%-3.88%	1.17%-3.75%
October 2020	EUR	8,000	6.13%	2.51%
January to September 2021	US$	68,410	2.30%-7.50%	1.89%-5.85%
February to June 2021	RMB	389,000	2.95%-3.24%	2.95%-3.24%
June to September 2021	EUR	16,300	4.38%-6.00%	1.13%-2.26%

From August to November 2021, part of the bonds were sold to manage credit concentration risk; the bonds were sold at fair value of $822,132 thousand.

The Group invests only in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. The Group's exposure and the external credit ratings are continuously monitored. The Group reviews changes in bond yields and other publicly available information and makes an assessment whether there has been a significant increase in credit risk since the last period to the reporting date.

10. HEDGING FINANCIAL INSTRUMENTS

	December 31	
	2022	2021
Financial assets - current		
Cash flow hedges		
Foreign exchange forward contracts	$ 161,905	$ -
Financial assets - non-current		
Cash flow hedges		
Foreign exchange forward contracts	$ -	$ 2,384
Net investment in a foreign operation hedges		
Cross-currency swap contracts	831,882	504,811
	$ 831,882	$ 507,195
Financial liabilities - current		
Cash flow hedges		
Foreign exchange forward contracts	$ -	$ 8,326
Financial liabilities - non-current		
Cash flow hedges		
Cross-currency swap contracts	$ 940,826	$ 621,252
Foreign exchange forward contracts	7,541	-
	$ 948,367	$ 621,252

The Group entered into foreign exchange forward contracts and cross-currency swap contracts, which were used to partially hedge foreign exchange rate risks associated with certain highly probable forecast transactions and exchange rate fluctuations of foreign currency denominated assets and liabilities. The hedge ratio was adjusted in response to the changes in the financial market and capped at 100%.

On the basis of economic relationships, the Group expects that the value of foreign exchange forward contracts, cross-currency swap contracts and the value of hedged forecast transaction will change in opposite directions in response to movements in foreign exchange rates.

The main source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty's own credit risk on the fair value of the foreign exchange forward contracts and cross-currency swap contracts. No other sources of ineffectiveness emerged from these hedging relationships. Refer to Note 23 for information about gain (loss) on hedging instruments and transferred to initial carrying amount of hedged items for the years ended December 31, 2022 and 2021.

The following table summarizes the information relating to the hedges of foreign currency risk.

December 31, 2022

	Contract Amount (In Thousands of US$)	**Maturity**
Hedging Instruments		
Foreign exchange forward contracts	$ 102,041	2023.01-2024.02
Cross-currency swap contracts	395,592	2024.09

December 31, 2021

	Contract Amount (In Thousands of US$)	**Maturity**
Hedging Instruments		
Foreign exchange forward contracts	$ 92,178	2022.01-2023.02
Cross-currency swap contracts	445,041	2024.09

The rate of interest paid and rate of interest received under cross-currency swap contracts were 4.94% and 6.25% as of December 31, 2022 and 2021, respectively.

11. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31	
	2022	2021
Notes receivable		
At amortized cost		
Gross carrying amount	$ 116,684	$ 195,177
Notes receivable - operating	$ 116,684	$ 195,177
Trade receivables		
At amortized cost		
Gross carrying amount	$ 21,667,189	$ 21,737,137
Less: Allowance for impairment loss	(59,022)	(59,584)
	21,608,167	21,677,553
Trade receivables - related party (Note 33)		
At amortized cost		
Gross carrying amount	538,267	427,597
	$ 22,146,434	$ 22,105,150

Trade Receivables

The average credit period of sales of goods was 30-180 days. No interest was charged on trade receivables. The Group adopted a policy of dealing with major customers that the Group could use other publicly available financial information or its own trading records to rate and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. 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 trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a overdue aging ratio and individual customer evaluation method by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information 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 aging of trade receivables was as follows:

	December 31	
	2022	2021
Current term	$ 20,404,762	$ 19,776,476
Past due		
1-60 days	1,577,832	2,096,271
61-90 days	108,620	175,017
91-180 days	82,615	50,706
More than 181 days	31,627	66,264
	$ 22,205,456	$ 22,164,734

The above aging schedule was based on the past due days from end of credit term.

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

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 59,584	$ 298,171
Add: Amounts recovered	4,681	-
Less: Net remeasurement of loss allowance	(194)	(93,636)
Less: Amounts written off	(1,560)	(119,443)
Foreign exchange gains and losses	(3,489)	(25,508)
Balance at December 31	$ 59,022	$ 59,584

The trade receivables pledged as collateral for bank borrowings are set out in Note 34.

12. INVENTORIES

	December 31	
	2022	2021
Finished goods and merchandise	$ 10,232,269	$ 9,430,901
Work in progress	4,507,730	4,302,823
Raw materials	10,019,441	9,566,340
Supplies	888,606	620,183
Inventory in transit	1,296,770	1,277,655
	$ 26,944,816	$ 25,197,902

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

	For the Year Ended December 31	
	2022	2021
Cost of inventories sold	$ 74,347,591	$ 75,670,731
Reversal of write-downs of inventories	720,580	(109,571)
	$ 75,068,171	$ 75,561,160

The inventories pledged as collateral for bank borrowings are set out in Note 34.

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2022	Proportion of Ownership (%) December 31 2021	Remark
Yageo Corporation	Yageo Holding (Bermuda) Ltd.	Investment	100.00	100.00	
	Ko-Shin Investment Limited.	Investment	100.00	100.00	
	Brightking Holdings Limited	Holding company	100.00	100.00	
	Yageo Corporation (South Asia)	Selling electronic components	100.00	100.00	
	Yageo Europe Holding B.V.	Holding company	100.00	100.00	
	Yageo South Asia (M) Sdn. Bhd.	Selling electronic components	100.00	100.00	
	Pulse Electronics Corporation	Holding company	100.00	100.00	
	Yageo Holding Hungary LLC	Holding company	100.00	100.00	
	XSemi Corporation	Selling electronic components	35.00	46.67	a.
	Chilisin Electronics Corp.	Manufacturing and selling electronic components	100.00	100.00	d.
	Yageo USA (H.K.) Limited	Sales of passive components	100.00	100.00	c.
Ko-Shin Investment Limited.	XSemi Corporation	Selling electronic components	9.00	8.33	a.
Yageo Holding (Bermuda) Ltd.	Yageo (Hong Kong) Limited	Investment	100.00	100.00	
	Vitrohm Holding GmbH	Investment	100.00	100.00	
	Yageo Korea	Sales of resistors	100.00	100.00	
	Yageo Japan	Sales of resistors	100.00	100.00	
	Hsu Tai International (H.K.) Ltd.	Investment	100.00	100.00	
	Belkin International Enterprises Limited	Investment	-	46.00	h.
Brightking Holdings Limited	Brightking Enterprise (H.K.) Co., Ltd.	Selling overvoltage and overcurrent protection electronic components	100.00	100.00	
Pulse Electronics Corporation	Egston Holding GmbH	Holding company	100.00	100.00	
Yageo Holding Hungary LLC	Yageo Holding Netherlands B.V.	Investment	100.00	-	c. i.
	KEMET Corporation	Selling electronic components	-	100.00	c.
Yageo Holding Netherlands B.V.	KEMET Corporation	Selling electronic components	100.00	-	c.
Chilisin Electronics Corp.	Chu Hsin Investment Ltd.	Investment	-	-	d. h.
	Chilisin Electronics Japan Corp.	Selling electronic components	-	100.00	d. h.
	Chilisin International Ltd.	Selling electronic components	100.00	100.00	d.
	Chilisin Holding (Samoa) Ltd.	Investment	100.00	100.00	d.
	Chilisin Holding (Hong Kong) Limited	Investment	94.15	94.15	d.
	Chilisin Asia Investment Limited	Investment	100.00	100.00	d.
	Ferroxcube International Holding B.V.	Investment	100.00	100.00	d.
	Mag. Layers Scientific-Technics Co., Ltd.	Manufacturing and selling electronic components	100.00	100.00	d.
	Magic Technology Co., Ltd.	Selling electronic components	100.00	100.00	d.
	Bothhand Enterprise Inc.	Manufacturing and selling computer components and electronic components	100.00	100.00	d.
Yageo Europe Holding B.V.	Yageo UK Ltd	Holding company	-	100.00	h.
	Yageo Europe B.V.	Holding company	100.00	100.00	
	Yageo Italy SRL	Holding company	100.00	100.00	
	Yageo Electronics Holding (S) PTE. LTD.	Holding company	100.00	-	i.
Yageo Electronics Holding (S) PTE. LTD.	Yageo Electronics Investment (S) PTE. LTD.	Holding company	100.00	-	i.
	Ko-E Holding (Cayman)	Holding company	97.15	97.00	b. c.
Yageo Europe B.V.	Yageo Europe Kft	Holding company	100.00	100.00	
Yageo (Hong Kong) Limited	Yageo Electronics (China) Co., Ltd.	Manufacturing and selling passive components	100.00	100.00	
	Yageo Electronics (Dongguan) Co., Ltd.	Manufacturing and selling passive components	100.00	100.00	
	Yageo (Suzhou) Trade Co., Ltd.	Selling passive components	100.00	100.00	
	Yageo Components (Suzhou) Co., Ltd.	Manufacturing and selling passive components	100.00	100.00	
Ko-E Holding (Cayman)	Ko-E (H.K.) Limited	Selling electronic components	100.00	100.00	
	Ko-E Electronics Trade Co., Ltd.	Selling electronic components	100.00	100.00	e.
	Ko-E Electronic (Hong Kong) Limited	Selling electronic components	100.00	100.00	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2022	Proportion of Ownership (%) December 31 2021	Remark
Brightking Enterprise (H.K.) Co., Ltd.	Bestbright Electronics Co., Ltd.	Manufacturing and selling overvoltage and overcurrent protection electronic components	100.00	100.00	
	Ko-E Component Co., Ltd.	Manufacturing and selling overvoltage and overcurrent protection electronic components	100.00	100.00	e.
	Bestbright Electronics Co., Ltd. (Taiwan)	Manufacturing and selling overvoltage and overcurrent protection electronic components	-	-	h.
	Huizhou Lien Shun Electronics Co., Ltd.	Manufacturing and selling overvoltage protection electronic components	-	-	h.
Chilisin International Ltd.	Dongguan Lianmao Electronics Co., Ltd.	Selling electronic components	-	-	d. h.
	Dongguan CNA Electronics Co., Ltd.	Manufacturing and selling electronic components	50.00	50.00	d.
	Belkin International Enterprises Limited	Investment	-	54.00	d. h.
	Dongguan Chilisin Electronics Co., Ltd.	Manufacturing and selling electronic components	100.00	100.00	d.
	Hunan Chilisin Electronics Technology Co., Ltd.	Manufacturing and selling electronic components	100.00	100.00	d.
	Shenzhen Chilisin Electronics Co., Ltd.	Selling electronic components	100.00	100.00	d.
Chilisin Holding (Samoa) Ltd.	Chilisin Holding (Hong Kong) Limited	Investment	5.85	5.85	d.
	Suzhou Qiyixin Electronics Co., Ltd.	Selling electronic components	100.00	100.00	d.
Chilisin Holding (Hong Kong) Limited	Chilisin Electronics (Vietnam) Limited company	Manufacturing and selling electronic components	100.00	100.00	d.
Chilisin Asia Investment Limited	Chilisin America Ltd.	Selling electronic components	100.00	100.00	d.
Ferroxcube International Holding B.V.	Ferroxcube Italia S.r.l.	Selling electronic components	100.00	100.00	d.
	Ferroxcube Deutschland GmbH	Selling electronic components	100.00	100.00	d.
	Ferroxcube USA Inc.	Selling electronic components	100.00	100.00	d.
	Hispano Ferritas S.A.	Selling electronic components	100.00	100.00	d.
	Ferroxcube Polska Sp. Z.o.o.	Manufacturing and selling electronic components	100.00	100.00	d.
	Ferroxcube Hong Kong Limited	Resource allocation center and sales of electronic components	67.00	67.00	d.
Ferroxcube Polska Sp. Z.o.o.	Ferroxcube Hong Kong Limited	Resource allocation center and sales of electronic components	33.00	33.00	d.
Ferroxcube Hong Kong Limited	Ferroxcube Electronics (Dongguan) Limited	Manufacturing and selling electronic components	100.00	100.00	d.
Mag. Layers Scientific-Technics Co., Ltd.	Mag Layers International Co., Ltd.	Investment	100.00	100.00	d.
	Mag Layers (Hong Kong) Ltd.	Selling electronic equipment	-	100.00	d. h.
	Mag Layers USA, Inc.	Selling electronic equipment	65.00	65.00	d.
Mag Layers International Co., Ltd.	Mag. Layers International Co., Ltd.	Manufacturing and selling passive components	100.00	100.00	d.
Mag. Layers International Co., Ltd.	Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	Manufacturing and selling electronic components	100.00	100.00	d.
Magic Technology Co., Ltd.	Magic Technology (Samoa) Co., Ltd.	Investment	100.00	100.00	d.
Magic Technology (Samoa) Co., Ltd.	Magic Electronic Technology (Shenzhen) Co., Ltd.	Manufacturing and selling electronic components	100.00	100.00	d.
	Classic Magic Developments Limited (Samoa)	Selling electronic components	100.00	100.00	d.
	Magic Trade (Shenzhen) Co., Ltd.	Selling electronic components	100.00	100.00	d.
	Trendy Island Investment Limited	Investment	100.00	100.00	d.
	Magic Electronic Technology (Hunan) Co., Ltd.	Manufacturing and selling electronic components	100.00	100.00	d.
Trendy Island Investment Limited	Magic Electronic Technology (Chongqing) Co., Ltd.	Manufacturing and selling electronic components	100.00	100.00	d.
Bothhand Enterprise Inc.	E-HENG Technology Co., Ltd.	Manufacturing and selling computer components and electronic components	100.00	100.00	d.
	Bothhand International Investment Co., Ltd.	Investment	100.00	100.00	d.
Ko-E (H.K.) Limited	Ko-E Technology (Shenzhen) Co., Ltd.	Selling electronic components	100.00	100.00	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2022	Proportion of Ownership (%) December 31 2021	Remark
Bestbright Electronics Co., Ltd.	Brightking (Shenzhen) Co., Ltd.	Selling overvoltage and overcurrent protection electronic components	100.00	100.00	
	Ceramate Technical (Suzhou) Co., Ltd.	Manufacturing and selling overvoltage and overcurrent protection electronic components	-	100.00	h.
	Yageo Components (Jiashan) Co, Ltd.	Manufacturing and selling overvoltage and overcurrent protection electronic components	100.00	100.00	f.
Belkin International Enterprises Limited	Guorui (Hong Kong) Limited	Investment	-	100.00	d. h.
Bothhand International Investment Co., Ltd.	Kaiping Bothhand Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	-	-	d. g.
	Guangzhou Bothhand Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	100.00	100.00	d.
	Deyang Bothhand Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	100.00	100.00	d.
	Round Constant Limited	Investment	-	-	d. h.
Brightking (Shenzhen) Co., Ltd.	Brightking (Shanghai) Co., Ltd.	Selling overvoltage and overcurrent protection electronic components	100.00	100.00	
	Brightking (Beijing) Co., Ltd.	Selling overvoltage and overcurrent protection electronic components	100.00	100.00	
	Huizhou Lien Shun Electronics Co., Ltd.	Manufacturing and selling overvoltage protection electronic components	-	-	h.
KEMET Corporation	KEMET Electronics Corporation	Manufacturing and selling electronic components	100.00	100.00	
KEMET Electronics Corporation	TOKIN Corporation	Manufacturing and selling electronic components	100.00	100.00	
	Yageo America LLC.	Selling electronic components	-	100.00	h.
Guangzhou Bothhand Electronics Co., Ltd.	Guangzhou Chenghan Electronic Technology Co., Ltd.	Manufacturing and selling computer components and electronic components	100.00	100.00	d.
	Hunan Bothhand Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	-	100.00	d. h.
Deyang Bothhand Electronics Co., Ltd.	Deyang Shisheng Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	100.00	100.00	d.
Deyang Shisheng Electronics Co., Ltd.	Deyang Hongyi Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	51.00	51.00	d.

(Concluded)

Remarks:

a. Established as a joint venture by the Group and Bao Shin International Investment Co., Ltd. in August 2021 and was 55% owned by the Group. In June 2022, the Group subscribed for additional new shares of XSemi Corporation at a percentage different from its existing ownership percentage, and reduced its continuing interest from 55% to 44%, and control of XSemi Corporation passed to the acquirer. But the Group still had significant influence over it. Refer to Note 29.

b. Yageo Holding (Bermuda) Ltd. repurchased 0.15% of its shares and sold 0.5% of its shares from non-controlling shareholders in the third quarter of 2021, and reduced Yageo Holding (Bermuda) Ltd.'s continuing interest from 97.35% to 97.00%. Yageo Holding (Bermuda) Ltd. also repurchased 0.45% of its shares and sold 0.3% of its shares from non-controlling shareholders in the first quarter and third quarter of 2022, respectively, and increased Yageo Holding (Bermuda) Ltd.'s continuing interest to 97.15%.

c. The Group carried out an organizational restructuring in November 2022. Yageo USA (H.K.) Limited, originally a 100%-owned subsidiary of Yageo Holding (Bermuda) Ltd., was changed to the Company; Ko-E Holding (Cayman), originally a 97.15%-owned subsidiary of Yageo Holding (Bermuda) Ltd., was changed to Yageo Electronics Holding (S) Pte. Ltd. In December 2022, KEMET Corporation, originally a 100%-owned subsidiary of Yageo Holding Hungry LLC, was changed to Yageo Holding Netherlands B.V. The aforementioned transaction was an organizational restructuring under common control; hence, the book-value method is applied in the transaction.

d. The Group acquired 100% of the interest of Chilisin Electronics Corp. in a share exchange in January 2022. The aforementioned share exchange transaction was an organizational restructuring under common control and regarded as a combination from the beginning. Refer to Note 28.

e. In August 2022, Brightking Electronics Co., Ltd. has changed its name to Ko-E Component Co., Ltd. In order to reorganize and optimize operational efficiency, the board of Directors of Ko-E Component Co., Ltd. and Ko-E Electronics Trade Co., Ltd. approved the merger in December 2022. After the merger, which is scheduled to be effective on March 31, 2023, Ko-E Component Co., Ltd. shall be the surviving company, and Ko-E Electronics Trade Co., Ltd. shall be the dissolved company.

f. Zhejiang Bestbright Electronics Co., Ltd. has changed its name to Yageo Components (Jiashan) Co, Ltd. in September 2021.

g. In July 2021, Chilisin Electronics Corp., a subsidiary of the Company, decided to sell Kaiping Bothhand Electronics Co., Ltd. by the resolution of the board, and Chilisin Electronics Corp. signed the contract with non-related parties on July 12, 2021. The total price was RMB62,680 thousand, and the transaction was completed on October 29, 2021.

h. Subsidiaries that have been dissolved and liquidated:

Subsidiary	Effective Date
Huizhou Lien Shun Electronics Co., Ltd.	Third quarter of 2021
Round Constant Limited	Third quarter of 2021
Chu Hsin Investment Ltd.	Fourth quarter of 2021
Bestbright Electronics Co., Ltd. (Taiwan)	Fourth quarter of 2021
Dongguan Lianmao Electronics Co., Ltd.	Fourth quarter of 2021
Ceramate Technical (Suzhou) Co., Ltd.	First quarter of 2022
Mag Layers (Hong Kong) Ltd.	Second quarter of 2022
Chilisin Electronics Japan Corp.	Second quarter of 2022
Hunan Bothhand Electronics Co., Ltd.	Third quarter of 2022
Yageo America LLC.	Third quarter of 2022
Belkin International Enterprises Limited	Fourth quarter of 2022
Guorui (Hong Kong) Limited	Fourth quarter of 2022
Yageo UK Ltd	Fourth quarter of 2022

i. Subsidiaries established in 2022:

Subsidiary	Effective Date
Yageo Electronics Holding (S) PTE. LTD.	Third quarter of 2022
Yageo Electronics Investment (S) PTE. LTD.	Third quarter of 2022
Yageo Holding Netherlands B.V.	Fourth quarter of 2022

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2022	2021
Investments in associates	$ 3,356,892	$ 1,456,862
Investments in joint ventures	38,714	60,558
	$ 3,395,606	$ 1,517,420

a. Investments in associates

	December 31	
	2022	2021
Associates that are not individually material		
XSemi Corporation	$ 1,450,467	$ -
Kaimei Electronic Corp.	758,940	709,893
Global Testing Corporation Limited (GTCL)	402,896	314,580
Nippon Yttrium Co., Ltd.	337,939	273,962
Ruiyi Technology (HongKong) Share Co., Limited	150,813	-
Strong Components Co., Ltd.	110,562	109,028
NT Sales Co., Ltd.	76,478	49,399
Shenzhen Ruiyi Electronics Co., Ltd.	68,797	-
	$ 3,356,892	$ 1,456,862

Refer to Table 8 “Information on Investees” and Table 9 “Information on Investments in Mainland China” for the nature of activities, principal places of business and countries of incorporation of the associates.

Fair values (Level 1) of investments in associates with available published price quotations are summarized as follows:

	December 31	
Name of Associate	**2022**	**2021**
Kaimei Electronic Corp.	$ 425,557	$ 1,004,236
GTCL	290,352	131,924
	$ 715,909	$ 1,136,160

	December 31	
	2022	2021
Aggregate information of associates that are not individually material		
The Group’s share of:		
Net profit for the year	$ 184,656	$ 224,291
Other comprehensive income (loss)	64.664	(32,866)
Total comprehensive income for the year	$ 249,320	$ 191,425

Investments in Kaimei Electronic Corp. was accounted for by the equity method since the Group had significant influence over it.

Except for Global Testing Corporation Limited (GTCL), investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements which have not been reviewed. Management believes there is no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income from the financial statements which have not been reviewed for the year ended December 31, 2022.

Except for Nippon Yttrium Co., Ltd and NT Sales Co., Ltd., investments were accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements which have been audited. Management believes there is no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income from the financial statements of Nippon Yttrium Co., Ltd and NT Sales Co., Ltd. which have not been audited for the year ended December 31, 2021.

b. Investments in joint ventures

	December 31	
	2022	**2021**
Joint ventures that are not individually material		
KEMET Jianghai Electronics Components Co., Ltd.	$ 38,714	$ 60,558

	Proportion of Ownership and Voting Rights	
	December 31	
Name of Joint Venture	**2022**	**2021**
KEMET Jianghai Electronics Components Co., Ltd.	50%	50%

KEMET Electronics Corporation, a subsidiary of the Company, entered into a joint venture agreement with Jianghai (Nantong) Film Capacitor Co., Ltd. for the establishment of KEMET Jianghai Electronics Components Co., Ltd. on January 29, 2018. KEMET Electronics Corporation acquired 50% equity interest of KEMET Jianghai Electronics Components Co., Ltd. and represented the same number of seats on the board of directors as Jianghai (Nantong) Film Capacitor Co., Ltd.

15. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2022	**2021**
Assets used by the Group	$ 59,734,211	$ 50,556,565
Assets leased under operating leases	137,067	138,791
	$ 59,871,278	$ 50,695,356

a. Assets used by the Group

	Freehold Land	Buildings	Machinery Equipment	Other Equipment	Construction in Progress and Unaccepted Equipment	Total
Cost						
Balance at January 1, 2022	$ 3,908,433	$ 27,272,782	$ 83,710,704	$ 5,959,855	$ 6,880,294	$ 127,732,068
Additions	829,645	56,288	862,708	59,266	12,999,471	14,807,378
Disposals	(50)	(124,760)	(2,506,508)	(202,345)	-	(2,833,663)
Disposal of subsidiary (Note 29)	-	-	-	(21,106)	-	(21,106)
Effects of foreign currency exchange differences	53,062	841,464	3,431,515	238,914	339,899	4,904,854
Reclassifications	-	1,718,854	5,740,472	390,845	(8,140,724)	(290,533)
Balance at December 31, 2022	$ 4,791,090	$ 29,764,628	$ 91,238,891	$ 6,425,429	$ 12,078,940	$ 144,298,978
Accumulated depreciation and impairment						
Balance at January 1, 2022	$ 3,808	$ 12,522,737	$ 60,571,511	$ 4,077,447	$ -	$ 77,175,503
Disposals	-	(97,310)	(2,009,393)	(174,751)	-	(2,281,454)
Disposal of subsidiary (Note 29)	-	-	-	(2,759)	-	(2,759)
Depreciation expense	-	1,382,846	4,695,604	604,264	-	6,682,714
Effects of foreign currency exchange differences	-	291,342	2,601,687	97,734	-	2,990,763
Balance at December 31, 2022	$ 3,808	$ 14,099,615	$ 65,859,409	$ 4,601,935	$ -	$ 84,564,767
Carrying amount at December 31, 2022	$ 4,787,282	$ 15,665,013	$ 25,379,482	$ 1,823,494	$ 12,078,940	$ 59,734,211
Cost						
Balance at January 1, 2021	$ 4,137,067	$ 26,738,755	$ 81,359,711	$ 6,097,663	$ 6,186,867	$ 124,520,063
Additions	1,317	463,318	2,853,921	222,105	5,974,709	9,515,370
Disposals	(6,305)	(381,159)	(2,346,303)	(672,982)	-	(3,406,749)
Effects of foreign currency exchange differences	(223,646)	(620,054)	(1,858,323)	(147,514)	(81,383)	(2,930,920)
Reclassifications	-	1,071,922	3,701,698	460,583	(5,199,899)	34,304
Balance at December 31, 2021	$ 3,908,433	$ 27,272,782	$ 83,710,704	$ 5,959,855	$ 6,880,294	$ 127,732,068
Accumulated depreciation and impairment						
Balance at January 1, 2021	$ 203,808	$ 11,552,563	$ 57,846,141	$ 4,033,456	$ -	$ 73,635,968
Disposals	(200,000)	(279,697)	(1,748,999)	(559,691)	-	(2,788,387)
Depreciation expense	-	1,349,689	4,496,545	624,007	-	6,470,241
Impairment losses	-	116,717	1,264,888	20,620	-	1,402,225
Effects of foreign currency exchange differences	-	(216,535)	(1,287,064)	(40,945)	-	(1,544,544)
Balance at December 31, 2021	$ 3,808	$ 12,522,737	$ 60,571,511	$ 4,077,447	$ -	$ 77,175,503
Carrying amount at December 31, 2021	$ 3,904,625	$ 14,750,045	$ 23,139,193	$ 1,882,408	$ 6,880,294	$ 50,556,565

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

Buildings	
Main buildings	40-56 years
Engineering system	40-56 years
Others	1-20 years
Machinery equipment	1-20 years
Other equipment	1-20 years

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings were set out in Note 34.

b. Assets leased under operating leases

	Land	Buildings	Total
Cost			
Balance at January 1, 2022	$ 1,980	$ 226,660	$ 228,640
Effects of foreign currency exchange differences	-	3,773	3,773
Balance at December 31, 2022	$ 1,980	$ 230,433	$ 232,413
Accumulated depreciation			
Balance at January 1, 2022	$ -	$ 89,849	$ 89,849
Depreciation expense	-	4,016	4,016
Effects of foreign currency exchange differences	-	1,481	1,481
Balance at December 31, 2022	$ -	$ 95,346	$ 95,346
Carrying amount at December 31, 2022	$ 1,980	$ 135,087	$ 137,067
Cost			
Balance at January 1, 2021	$ 1,980	$ 227,491	$ 229,471
Effects of foreign currency exchange differences	-	(831)	(831)
Balance at December 31, 2021	$ 1,980	$ 226,660	$ 228,640
Accumulated depreciation			
Balance at January 1, 2021	$ -	$ 86,164	$ 86,164
Depreciation expense	-	4,002	4,002
Effects of foreign currency exchange differences	-	(317)	(317)
Balance at December 31, 2021	$ -	$ 89,849	$ 89,849
Carrying amount at December 31, 2021	$ 1,980	$ 136,811	$ 138,791

Operating leases relate to lease of the property owned by the Group with lease terms between 1 and 5 years. All operating lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating lease payments was as follows:

	December 31	
	2022	2021
Not later than 1 year	$ 11,457	$ 19,509
Later than 1 year and not later than 5 years	1,340	1,587
	$ 12,797	$ 21,096

The above items of property, plant and equipment leased under operating leases are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	50-56 years

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings were set out in Note 34.

16. INVESTMENT PROPERTIES

	Land	Building	Total
Cost			
Balance at January 1, 2022	$ 93,800	$ 85,412	$ 179,212
Disposals	(93,800)	(42,238)	(136,038)
Effects of foreign currency exchange differences	-	551	551
Reclassifications	-	1,688	1,688
Balance at December 31, 2022	$ -	$ 45,413	$ 45,413
Accumulated depreciation			
Balance at January 1, 2022	$ -	$ 43,580	$ 43,580
Disposals	-	(41,839)	(41,839)
Depreciation expense	-	5,233	5,233
Effects of foreign currency exchange differences	-	52	52
Reclassifications	-	1,451	1,451
Balance at December 31, 2022	$ -	$ 8,477	$ 8,477
Carrying amount at December 31, 2022	$ -	$ 36,936	$ 36,936
Cost			
Balance at January 1, 2021	$ 93,800	$ 89,159	$ 182,959
Disposals	-	(3,634)	(3,634)
Effects of foreign currency exchange differences	-	(113)	(113)
Balance at December 31, 2021	$ 93,800	$ 85,412	$ 179,212
Accumulated depreciation			
Balance at January 1, 2021	$ -	$ 43,194	$ 43,194
Depreciation expense	-	4,032	4,032
Disposals	-	(3,634)	(3,634)
Effects of foreign currency exchange differences	-	(12)	(12)
Balance at December 31, 2021	$ -	$ 43,580	$ 43,580
Carrying amount at December 31, 2021	$ 93,800	$ 41,832	$ 135,632

The investment properties were leased out during 2022. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	December 31	
	2022	2021
Year 1	$ -	$ 2,968

Investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Building	15-45 years

The market for comparable properties is inactive and alternative reliable measurements of fair value are not available; therefore, the Group determined that the fair value of the investment property was not reliably measurable.

All investment properties of the Group are self-owned. The investment properties pledged as collateral for bank borrowings was set out in Note 34.

17. GOODWILL

	For the Year Ended December 31	
	2022	2021
Cost		
Balance at January 1	$ 44,131,198	$ 46,788,607
Effects of foreign currency exchange differences	3,717,581	(2,657,409)
Balance at December 31	$ 47,848,779	$ 44,131,198

The adjustments of goodwill of the Group after the business combination were as follows:

a. In the second quarter of 2021, the Group received the valuation report which indicated that the fair value of other current assets, property, plant and equipment, intangible assets, other non-current assets, current liabilities and non-current liabilities of KEMET Corporation at the date of acquisition was $23,157,308 thousand. The comparative figures have been restated as if the initial accounting was completed at the acquisition date.

The balances of the items on the consolidated balance sheets before and after the adjustments are as follows:

	Acquisition Date (Provisional Amount)	Acquisition Date (Fair Value)
Goodwill adjustments	$ 31,453,468	$ 18,034,381
Other current assets	14,535,243	15,789,591
Property, plant and equipment	16,732,267	17,790,020
Intangible assets	1,635,090	16,613,291
Other non-current assets	3,026,584	3,012,159
Current liabilities	(12,217,506)	(12,239,047)
Non-current liabilities	(13,973,457)	(17,808,706)

b. In the first quarter of 2021, the Group received the valuation report which indicated that the fair value of property, plant and equipment, right-of-use assets and intangible assets of Shin Yuan Electronics Productions (Kunshan) Co., Ltd. at the date of acquisition was $337,473 thousand. The comparative figures have been restated as if the initial accounting was completed at the acquisition date.

The balances of the items on the consolidated balance sheets of Shin Yuan Electronics Productions (Kunshan) Co., Ltd. before and after the adjustments are as follows:

	Acquisition Date (Provisional Amount)	Acquisition Date (Fair Value)
Goodwill adjustments	$ 793,095	$ 614,115
Property, plant and equipment	154,548	258,055
Right-of-use assets	3,945	27,340
Intangible assets	-	52,078

The recoverable amount of the cash-generating unit was determined based on a value in use calculation. The Group's management estimated the recoverable amounts of core assets at their expected useful lives and thus based the cash flow forecast with the following discount rates as of December 31, 2022 and 2021: 14.94% and 11.50%, respectively. The operating revenue forecast was based on the expected future growth rate of the passive product industry along with the projected advancement of the Group's own business. The Group's management believed that any reasonable changes in the principal assumptions would not result in the carrying values exceeding the recoverable amounts. As of December 31, 2022 and 2021, there was no indication of impairment loss based on the principal assumptions.

18. OTHER INTANGIBLE ASSETS

	Computer Software	Patents and Proprietary Technology	Customer Relationships	Trademark and Brand	Others	Total
Cost						
Balance at January 1, 2022	$ 2,459,992	$ 2,154,006	$ 1,312,159	$ 18,566,360	$ 543,951	$ 25,036,468
Additions	173,364	-	-	-	536,378	709,742
Disposal	(4,492)	-	-	-	-	(4,492)
Disposal of subsidiary (Note 29)	(4,299)	-	-	-	-	(4,299)
Reclassifications	(399,767)	-	-	-	331,843	(67,924)
Effects of foreign currency exchange differences	165,975	150,860	106,285	1,760,363	121,804	2,305,287
Balance at December 31, 2022	$ 2,390,773	$ 2,304,866	$ 1,418,444	$ 20,326,723	$ 1,533,976	$ 27,974,782
Accumulated amortization and impairment						
Balance at January 1, 2022	$ 1,824,808	$ 473,823	$ 363,653	$ 128	$ 70,694	$ 2,733,106
Amortization expense	225,306	234,329	139,841	42	84,138	683,656
Disposal	(4,471)	-	-	-	-	(4,471)
Disposal of subsidiary (Note 29)	(1,338)	-	-	-	-	(1,338)
Reclassifications	(205,409)	-	-	-	205,409	-
Effects of foreign currency exchange differences	149,529	40,021	26,534	-	16,475	232,559
Balance at December 31, 2022	$ 1,988,425	$ 748,173	$ 530,028	$ 170	$ 376,716	$ 3,643,512
Carrying amount at December 31, 2022	$ 402,348	$ 1,556,693	$ 888,416	$ 20,326,553	$ 1,157,260	$ 24,331,270
Cost						
Balance at January 1, 2021	$ 2,400,443	$ 2,251,786	$ 1,397,579	$ 19,268,274	$ 119,303	$ 25,437,385
Additions	106,331	-	-	-	321,478	427,809
Disposals	(11,363)	(11,621)	-	-	(5,927)	(28,911)
Reclassifications	25,797	2,000	-	-	156,338	184,135
Effects of foreign currency exchange differences	(61,216)	(88,159)	(85,420)	(701,914)	(47,241)	(983,950)
Balance at December 31, 2021	$ 2,459,992	$ 2,154,006	$ 1,312,159	$ 18,566,360	$ 543,951	$ 25,036,468
Accumulated amortization and impairment						
Balance at January 1, 2021	$ 1,647,867	$ 275,117	$ 249,282	$ 87	$ 18,416	$ 2,190,769
Amortization expense	236,354	229,823	137,903	41	59,171	663,292
Impairment loss	864	-	-	-	-	864
Disposals	(7,369)	(11,621)	-	-	(3,210)	(22,200)
Reclassifications	-	733	-	-	(733)	-
Effects of foreign currency exchange differences	(52,908)	(20,229)	(23,532)	-	(2,950)	(99,619)
Balance at December 31, 2021	$ 1,824,808	$ 473,823	$ 363,653	$ 128	$ 70,694	$ 2,733,106
Carrying amount at December 31, 2021	$ 635,184	$ 1,680,183	$ 948,506	$ 18,566,232	$ 473,257	$ 22,303,362

Part of the trademark and brand and other intangible assets was acquired through business combinations. Various studies including industrial characteristics, product life cycle studies and enterprise characteristics have been performed by the management of the Group, which supported their opinion that there is no foreseeable limit to the period over which the trademarked products are expected to generate net cash flows. Therefore, the part of trademark and brand and other intangible assets is considered to have an indefinite useful life. The part of trademark and brand and other intangible assets will not be amortized until its useful life is determined to be finite. Instead, it will be tested for impairment annually and whenever there is an indication that it may be impaired.

The recoverable amount of trademark was determined based on a value in use calculation that used the cash flow projections in the financial budgets approved by management covering a 4-year period; the discount rates as of December 31, 2022 and 2021: 14.94% and 11.50%, respectively. The cash flows beyond that 4-year period have been extrapolated using the expected growth rate. Other key assumptions included budgeted revenue and relief from royalty rate. Such assumptions were based on the past performance of the cash-generating unit and management's expectations of market development.

No impairment loss on trademark was recognized for the years ended December 31, 2022 and 2021.

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Trademark	9-10 years
Computer software	1-10 years
Patents and proprietary technology	5-20 years
Customer relationships	9.5-11 years
Others	1-15 years

19. BORROWINGS

a. Short-term borrowings

	December 31	
	2022	2021
Secured borrowings (Note 34)		
Bank loans	$ 1,103,967	$ 1,205,119
Unsecured borrowings		
Line of credit borrowings	11,388,671	24,800,085
	$ 12,492,638	$ 26,005,204

The effective interest rates for bank loans was 0.58%-4.96% and -0.50%-2.95% per annum at December 31, 2022 and 2021, respectively.

b. Short-term bills payable

	For the Year Ended December 31	
	2022	2021
Commercial paper	$ 28,150,000	$ 20,100,000
Less: Unamortized discount on bills payable	(74,033)	(21,877)
	$ 28,075,967	$ 20,078,123

Outstanding short-term bills payable were as follows:

December 31, 2022

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
Commercial paper						
IBFC Bills	$ 8,750,000	$ 17,497	$ 8,732,503	1.598-1.698%	-	$ -
CTBF Bills	7,450,000	14,190	7,435,810	1.598-1.708%	-	-
Yuanta Bills	3,950,000	16,111	3,933,889	1.688%	-	-
Grand Bills	3,000,000	8,009	2,991,991	1.598-1.698%	-	-
SinoPac Bills	2,900,000	10,406	2,889,594	1.458-1.698%	-	-
CBF Bills	1,900,000	7,741	1,892,259	1.678-1.698%	-	-
Taching Bills	200,000	79	199,921	1.598%	-	-
	$ 28,150,000	$ 74,033	$ 28,075,967			$ -

December 31, 2021

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
Commercial paper						
IBFC Bills	$ 4,800,000	$ 8,324	$ 4,791,676	0.358-0.588%	-	$ -
TFC Bills	2,700,000	1,467	2,698,533	0.358-0.578%	-	-
CBF Bills	2,000,000	1,105	1,998,895	0.388-0.518%	-	-
Grand Bills	2,000,000	1,199	1,998,801	0.398-0.568%	-	-
SinoPac Bills	1,900,000	3,022	1,896,978	0.358-0.588%	-	-
TSB Bills	1,600,000	1,169	1,598,831	0.398%	-	-
Taching Bills	1,500,000	961	1,499,039	0.398-0.548%	-	-
Mega Bills	1,500,000	2,483	1,497,517	0.398%	-	-
Yuanta Bills	1,400,000	927	1,399,073	0.398-0.548%	-	-
KGI Bills	600,000	1,188	598,812	0.578%	-	-
Dah Chung Bills	100,000	32	99,968	0.75%	-	-
	$ 20,100,000	$ 21,877	$ 20,078,123			$ -

c. Long-term borrowings

	December 31	
	2022	2021
Secured borrowings (Note 34)		
Bank loans	$ 84,021	$ 109,538
Unsecured borrowings		
Line of credit borrowings	34,244,798	28,609,757
Less: Current portions	(3,942,058)	(830,508)
Long-term borrowings	$ 30,386,761	$ 27,888,787

The effective interest rate of long-term bank loans was -0.800%-3.259% and -0.800%-1.375% per annum at December 31, 2022 and 2021, respectively.

Creditor	Credit Lines	Credit Period	Interest Rate	Repayment Agreement
TFC Bank Co., Ltd. (1)	$ 3,000,000	Five years after the date of first borrowing	Variable interest rate based on the two-year fixed deposit of Chunghwa Post Co., Ltd. and the actual receipt must not be less than 1%	Three-year grace period. Monthly installments after expiration of grace period
CTBC Bank Co., Ltd.	5,000,000	Machinery equipment: Ten years after the date of first borrowing Revolving fund: Seven years after the date of first borrowing	Variable interest rate based on the two-year fixed deposit of Chunghwa Post Co., Ltd. and the actual receipt must not be less than 1%	Three-year grace period. Monthly installments after expiration of grace period
Mega International Commercial Bank	4,000,000	Machinery equipment: Seven years after the date of first borrowing Factory building: Ten years after the date of first borrowing	Variable interest rate based on the two-year fixed deposit of Chunghwa Post Co., Ltd. and the actual receipt must not be less than 0.8%	Three-year grace period. Monthly installments after expiration of grace period
Chang Hwa Commercial Bank, Ltd.	560,000	Seven years after the date of first borrowing	Variable interest rate based on the two-year fixed deposit of Chunghwa Post Co., Ltd. and the actual receipt must not be less than 1%	Three-year grace period. Monthly installments after expiration of grace period

(Continued)

Creditor	Credit Lines	Credit Period	Interest Rate	Repayment Agreement
Chang Hwa Commercial Bank, Ltd.	$ 2,000,000	Seven years after the date of first borrowing	Variable interest rate based on the two-year fixed deposit of Chunghwa Post Co., Ltd. and the actual receipt must not be less than 1.5%	Three-year grace period. Monthly installments after expiration of grace period
Bank of Taiwan and twenty two other financial institutions (3)	A: $41,000,000 A-1: Mid-term demand loan $25,600,000 A-2: Commercial paper guarantee $20,500,000 The total credit lines of A-1 and A-2 do not exceed $41,000,000	Five years after the date of first borrowing	A-1: Fixed rate based on a specific average rate of notes transacted in Taiwan A-2: TAIBIR 02 as benchmark interest rate	Sixty months after the date of first borrowing
	B: $7,500,000	Three years after the date of first borrowing	Fixed rate based on a specific average rate of notes transacted in Taiwan	Repay every six months from 1 year after the date of first borrowing
Bank of Communications Co., Ltd.	2,000,000	2022.03.29-2024.03.29	Based on bank	Repay at maturity
Bank SinoPac Co., Ltd.	2,500,000	2021.07.23-2024.08.31	Based on bank	Repay at maturity
MUFG Bank, Ltd. Hong Kong Branch	US$ 30,000	Two years from the date of first borrowing	Based on bank	Two years from the date of first borrowing
DBS Bank, Ltd. Hong Kong Branch	US$ 100,000	Two or three years from the date of first borrowing	Based on bank	Two or three years from the date of first borrowing
MUFG Bank, Ltd. (2)	3,500,000	Three years from the date of first borrowing	Fixed rate of 0.89% for the first year, and 0.90% for the second and third year	Three years from the date of first borrowing
MUFG Bank, Ltd.	US$ 60,000	2021.10.05-2024.05.31	Based on bank	Repay at maturity
DBS Bank (Taiwan) Ltd.	1,000,000	2021.06.25-2024.06.25	Based on bank	Repay at maturity
DBS Bank LTD, Taipei Branch	1,000,000	2021.06.25-2024.06.25	Based on bank	Repay at maturity
Sumitomo Mitsui Banking Corporation	3,800,000	2021.10.12-2024.06.30	Based on bank	Repay at maturity
HSBC Bank LTD, Taipei Branch	US$ 20,000	2021.07.15-2024.08.30	Based on bank	Repay at maturity
TFC Bank Co., Ltd. (1)	US$ 40,000	Three years from the date of first borrowing	Based on bank	Repay at maturity
Bank of Taiwan	3,000,000	2021.12.03-2024.10.20	Based on bank	Repay at maturity
Standard Chartered Bank (Hong Kong) Limited	US$ 60,000	Two or three years from the date of first borrowing	Based on bank	Two or three years from the date of first borrowing
MIZUHO Bank, Ltd, Taipei Branch	US$ 100,000	2022.12.30-2024.12.30	Based on bank	Repay at maturity
First Commercial Bank Co., Ltd.	1,000,000	2022.03.30-2024.04.30	Based on bank	Repay at maturity
Ceska Sporitelna	€ 4,500	2018.02.14- 2024.05.31	Fixed interest rate 1.375%	Monthly installments since December 31, 2018
Sumitomo Mitsui Trust Bank, Ltd., MHBK Bank and DBJ Bank	¥ 11,000,000	2021.02.26-2024.09.30	0.57%+3 month JPY TIBOR	Repay JPY737,000 in March and September each year
Sumitomo Mitsui Trust Bank, Ltd., MHBK Bank and DBJ Bank	¥ 16,500,000	2021.02.26-2025.09.30	0.65%+3 month JPY TIBOR	Repay on due date
Second interest-free loan from the Portuguese government	€ 2,500	2017.01.01-2025.02.01	Governmental interest-free loan	Repay EUR200 thousand in February and August each year
Second interest-free loan from the Portuguese government	€ 900	2019.02.01-2026.09.01	Governmental interest-free loan	From March 1, 2021, repay EUR100 thousand in March and September each year

(Continued)

Creditor	Credit Lines	Credit Period	Interest Rate	Repayment Agreement
Taishin International Bank	$ 500,000	2019.09.24-2024.09.15	Variable interest rate based on the two-year fixed deposit of Chunghwa Post Co., Ltd. and the actual receipt must not be less than 0.1%	Three-year grace period. Monthly installments after expiration of grace period
First Commercial Bank Co., Ltd.	1,000,000	2019.09.06-2026.08.15	Variable interest rate based on the two-year fixed deposit of Chunghwa Post Co., Ltd. and the actual receipt must not be less than 0%	Three-year grace period. Monthly installments after expiration of grace period
First Commercial Bank Co., Ltd.	688,000	2019.08.22-2026.06.03	Variable interest rate based on the two-year fixed deposit of Chunghwa Post Co., Ltd. and the actual receipt must not be less than 0%	Three-year grace period. Monthly installments after expiration of grace period

(Concluded)

1) The Company will have to maintain its interim and annual current ratios, debt ratios, and interest coverage ratios at percentages specifies in the agreement.

2) The Company will have to maintain its annual debt ratios and interest coverage ratios at percentages specifies in the agreement.

3) The Company pledged the freehold land, office buildings and machinery equipment of the factory located in the administrative office in Xindian, New Taipei City, the Nan-Zi Branch, the Da-fa industrial estate and a capacitor-line factory in a village in Dashe, Kaohsiung City as collateral for the loans. The Company will have to maintain its interim and annual debt ratios and interest coverage ratios at percentages specified in the agreement.

20. BONDS PAYABLE

	December 31	
	2022	2021
Unsecured overseas convertible bonds (a)	$ 5,387,040	$ 5,387,040
Less: Discounts on bonds payable	(156,317)	(219,665)
	5,230,723	5,167,375
Unsecured domestic convertible bonds (b)	471,500	847,800
Less: Discounts on bonds payable	(7,791)	(22,145)
	463,709	825,655
Unsecured domestic bonds (c)	14,500,000	10,000,000
Less: Discounts on bonds payable	(13,699)	(12,013)
	14,486,301	9,987,987
Less: Current portions	(5,230,723)	-
	$ 14,950,010	$ 15,981,017

a. Overseas convertible bonds

On March 2, 2020, the Corporation’s board of directors resolved to issue overseas unsecured convertible bonds for the fifth time. This proposal was approved and became effective under the letter issued by the FSC dated March 26, 2020 (Financial-Supervisory-Securities-Corporate Issue No. 10903342431). The bonds with a duration of 5 years were listed on the Singapore Stock Exchange on May 26, 2020. This zero-coupon overseas convertible bonds have a face value of US$180,000 thousand.

Bondholders may request the Company to convert the bonds into the Company's ordinary shares at any time within the period from the following day after three months from the issuance date to 10 days prior to maturity, or the date on which the bondholder exercises the right to buy back or until the fifth business day before the Company exercises the early redemption right. The conversion price ($485 per share) at the time of issuance is determined by 30% premium to closing price of the Company's ordinary shares on the Taiwan Stock Exchange. Number of shares converted should be decided by face value of the bonds at a fixed exchange rate of US$1:NT$29.928, which is to be divided by the conversion price per share on the conversion date. The conversion price after the issuance of convertible bonds will be adjusted according to the anti-dilution clause of the Conversion Rules of the Company. As of December 31, 2022, the conversion price has been adjusted to $512.40 per share.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - equity component of convertible bonds. The effective interest rate of the liability component was 1.22% per annum on initial recognition.

Proceeds from issuance (less transaction costs of $41,316 thousand)	$ 5,345,724
Equity component (less transaction costs allocated to the equity component of $1,963 thousand)	(252,844)
Buy-back/redemption rights derivative instruments	(24,242)
Liability component at the date of issue (less transaction costs allocated to the liability component of $39,353 thousand)	5,068,638
Interest charged at an effective interest rate of 1.22%	98,737
Liability component at December 31, 2021	5,167,375
Interest charged at an effective interest rate of 1.22%	63,348
Liability component at December 31, 2022	$ 5,230,723

The movements of derivative financial instruments were as follows:

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ (2,693)	$ (4,848)
Gain (loss) on fair value changes	(29,629)	2,155
Balance at December 31	$ (32,322)	$ (2,693)

b. Unsecured domestic convertible bonds

As of September 12, 2019, Chilisin Electronics Corp., a subsidiary of the Company, issued the sixth unsecured convertible bonds of NT$2,000,000 thousand with a zero-coupon interest rate in Taiwan. The duration period is between September 12, 2019 and September 12, 2024. The Company has to repurchase all of its bonds in cash at face value. The corporate bonds may be converted into ordinary shares of the Company upon request from December 31, 2019 to September 11, 2024. The conversion price at the time of issuance was NT$94 per share.

The bonds will be held on the next day after the expiration of 3 months (December 13, 2019) until 40 days before the expiration of the issue period (August 3, 2024). If the closing price of the Company's ordinary stock exceeds the conversion price of the bond by 30% or more for 30 consecutive business days, the Company shall repurchase the bonds in cash within 30 business days and within 5 business days after the benchmark date of bond repurchase. The Company redeems the bondholder's convertible corporate bonds by cash.

As described in Note 1, Chilisin Electronics Corp. has terminated its listing on the date of share exchange, and in accordance with the relevant laws and regulations, the unsecured domestic convertible bonds also terminated trading on the same day. However, for convertible bonds that are still outstanding after the date of share exchange, the Group changes execution target of the unexecuted bonds to ordinary shares of the Company according to the share exchange ratio specified in the share exchange contract. As of December 31, 2022, the conversion price was $444.6 per share. From January 5 to December 31, 2022, convertible bonds with a denomination of NT$245,100 thousand had been converted into 551 thousand ordinary shares and convertible bonds with a denomination of NT$131,200 thousand had been redeemed.

Proceeds from issuance (less transaction costs of NT$5,000 thousand)	$ 2,015,000
Equity component (less transaction costs allocated to the equity component of NT$264 thousand)	(106,191)
Financial product component	(5,642)
Liability component at the date of issue (less transaction costs allocated to the liability component of NT$4,722 thousand)	1,903,167
Interest charged at an effective interest rate of 0.9975%	26,859
Convertible bonds converted into ordinary shares	(1,104,371)
Liability component at December 31, 2021	825,655
Interest charged at an effective interest rate of 0.9975%	6,158
Redeemed convertible bonds	(128,620)
Convertible bonds converted into ordinary shares	(239,484)
Liability component at December 31, 2022	$ 463,709

The movements of derivative financial instruments were as follows:

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 848	$ 4,574
Loss on fair value changes	(565)	(3,726)
Balance at December 31	$ 283	$ 848

c. Unsecured domestic bonds

On May 3, 2021, the Company issued five-year unsecured domestic bonds with an aggregate principal amount of $5,500,000 thousand and an annual simple interest rate of 0.68%. The principal will be repaid in a lump sum on May 3, 2026.

On September 3, 2021, the Company issued three-year and five-year unsecured domestic bonds with aggregate principal amounts of $1,000,000 thousand and 3,500,000 thousand, respectively. The three-year and five-year unsecured domestic bonds have annual simple interest rates of 0.47% and 0.60%, respectively. The principal will be repaid in lump sum at maturity.

On January 12, 2022, the Company issued five-year unsecured domestic bonds with an aggregate principal amount of $4,500,000 thousand and an annual simple interest rate of 0.73%. The principal will be repaid in a lump sum on January 12, 2027.

21. OTHER LIABILITIES

	December 31	
	2022	2021
Current		
Other payables		
Payables for salaries or bonuses	$ 4,522,040	$ 4,841,244
Payables for purchases of equipment	3,007,032	643,931
Payables for compensation of employees and remuneration of directors	2,291,898	2,156,863
Payables for annual leave	543,856	405,473
Others	12,766,167	7,063,861
	23,130,993	15,111,372
Other payables - related party (Note 33)	5,530	14,952
	$ 23,136,523	$ 15,126,324

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company, Ko-E Electronics Trade Co., Ltd., Ko-E Component Co., Ltd., Chilisin Electronics Corp., Mag. Layers Scientific-Technics Co., Ltd., Magic Technology Co., Ltd. and Bothhand Enterprise Inc. of the Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, a company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The subsidiaries-Yageo Dongguan, Yageo China, Yageo Components (Suzhou) Co., Ltd., Yageo Trade (Suzhou) Co., Ltd., Yageo USA (H.K.) Limited, Yageo Europe Holding B.V., Vitrohm Portuguesa Lda. Portugal, Yageo Japan, Yageo America LLC, Yageo Corporation (South Asia) Pte. Ltd., Yageo South Asia (M) Sdn. Bhd., Ko-E H.K., Ko-E Technology (Shenzhen), Ko-E Electronic (Hong Kong) Limited, Brightking Enterprise (H.K.) Co., Ltd., Bestbright Electronics Co., Ltd., Brightking (Shenzhen) Co., Ltd., Ceramate Technical (Suzhou) Co., Ltd., Yageo Components (Jiashan) Co, Ltd., Brightking (Shanghai) Co., Ltd., Brightking (Beijing) Co., Ltd., Pulse Electronics (Dongguan) Co., Ltd., Mian Yang Pulse Electronics Co., Ltd., Suining Pulse Electronics Co., Ltd., Pulse (Suzhou) Wireless Products Co., Ltd., Pulse Electronics (Shenzhen) Co., Ltd., Egston Electronics Zhuhai Ltd., KEMET Electronics (Suzhou) Co., Ltd., Shanghai Arcotronics Components & Machineries Co., Ltd., KEMET Jianghai Electronics Components Co., Ltd. and TOKIN Electronics (Xiamen) Corporation have defined contribution plans and make contributions based on a fixed rate of salaries and wages according to the local laws. The subsidiaries-Yageo Holding (Bermuda), Kuo Shin Investment, Hsu Tai (H.K.), Ko-E Holding (Cayman), Yageo Hong Kong, Brightking Holdings Limited and Yageo Holding Hungary LLC do not have pension plans since there is no employee.

b. Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by a pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

All the employees of Vitrohm Holding GmbH, Yageo Europe Holding B.V., Pulse Electronics Corporation, Egston Holding GmbH, KEMET Corporation, KEMET Electronics Corporation and TOKIN Corporation have defined benefit plans. As of December 31, 2022 and 2021, the pension liabilities amounted to $2,120,529 thousand and $2,368,195 thousand, respectively, included in defined benefit liabilities.

The amounts included in the consolidated balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2022	**2021**
Present value of defined benefit obligation	$ 346,045	$ 390,023
Fair value of plan assets	(205,117)	(210,613)
Net defined benefit liabilities	$ 140,928	$ 179,410

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities**
Balance at January 1, 2021	$ 415,035	$ (212,578)	$ 202,457
Service cost			
Current service cost	2,040	-	2,040
Net interest expense (income)	1,453	(758)	695
Recognized in profit or loss	3,493	(758)	2,735
Remeasurement			
Actuarial (gain) loss			
Changes in demographic assumptions	14,962	-	14,962
Changes in financial assumptions	(12,621)	-	(12,621)
Experience adjustments	(17,237)	(3,056)	(20,293)
Recognized in other comprehensive income	(14,896)	(3,056)	(17,952)
Contributions from the employer	-	(7,830)	(7,830)
Benefits paid	(13,609)	13,609	-
Balance at December 31, 2021	$ 390,023	$ (210,613)	$ 179,410

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2022	$ 390,023	$ (210,613)	$ 179,410
Service cost			
Current service cost	1,640	-	1,640
Net interest expense (income)	2,925	(1,609)	1,316
Recognized in profit or loss	4,565	(1,609)	2,956
Remeasurement			
Actuarial (gain) loss			
Changes in financial assumptions	(17,184)	-	(17,184)
Experience adjustments	(85)	(16,315)	(16,400)
Recognized in other comprehensive income	(17,269)	(16,315)	(33,584)
Contributions from the employer	-	(7,607)	(7,607)
Benefits paid	(31,274)	31,027	(247)
Balance at December 31, 2022	$ 346,045	$ (205,117)	$ 140,928

(Concluded)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2022	2021
Operating costs	$ 2,278	$ 2,167
Selling and marketing expenses	177	161
General and administrative expenses	400	311
Research and development expenses	101	96
	$ 2,956	$ 2,735

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2022	**2021**
Discount rates	1.400%	0.750%
Expected rates of salary increase	1.500%	1.500%

If possible reasonable change in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2022	**2021**
Discount rates		
0.25% increase	$ (6,739)	$ (8,034)
0.25% decrease	$ 6,957	$ 8,303
Expected rates of salary increase		
0.25% increase	$ (6,753)	$ 8,015
0.25% decrease	$ 6,574	$ (7,795)

The above sensitivity analysis may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2022	**2021**
Expected contributions to the plans for the next year	$ 7,607	$ 7,830
Average duration of the defined benefit obligation	10 years	10 years

23. EQUITY

a. Share capital

1) Ordinary shares

	December 31	
	2022	**2021**
Shares authorized (in thousands of shares)	4,000,000	4,000,000
Shares authorized	$ 40,000,000	$ 40,000,000
Shares issued and fully paid (in thousands of shares)	421,261	495,919
Shares issued and fully paid	$ 4,212,608	$ 4,959,189

Fully paid ordinary shares, which have a par value of NT$10, carry one vote per share and carry a right to dividends.

The movements of the ordinary shares were due to the capital reduction, cancelation of treasury share, acquisition of Chilisin Electronics Corp. in a share exchange agreement, convertible bonds converted to ordinary shares and the exercise of employee share options.

For purpose of enhancing the return on equity, profitability per share and proper use of the capital, the capital was reduced through a cash return to shareholders, which was proposed by the Company's board on March 17, 2022 and resolved by the shareholders in the shareholders' meeting on June 8, 2022. The total amount of capital reduction was $1,080,112 thousand, which represented 108,011 thousand shares cancelled, and the capital reduction ratio is 20%. The registration of the capital reduction was approved by the Taiwan Stock Exchange on July 6, 2022. The effective date of the capital reduction was July 28, 2022 and the effective date of the replacement of shares due to the capital reduction was October 28, 2022. The legal registration procedures have been completed on September 15, 2022.

2) Global depositary receipts

The Company's global depositary receipts (GDRs) as of December 31, 2022 were as follows:

	GDRs (In Thousand Units)	**Equivalent Ordinary Stock (In Thousand Shares)**
Initial offering	5,000	25,000
Converted from overseas convertible bonds	34,981	174,903
Net increase due to capital increase or capital reduction	81,552	407,763
Reissued within authorized units	66,960	334,801
GDRs transferred to ordinary shares	(188,469)	(942,346)
Outstanding GDRs issued	24	121

The owners of GDRs have the same rights as holders of ordinary shares, except that the GDR owners should exercise, through a depositary trust company, the following beneficial interests subject to the terms of the depositary agreements and the relevant Taiwan laws and regulations:

a) Exercise voting rights;
b) Convert the GDRs into ordinary shares; and
c) Receive dividends and exercise preemptive rights or other rights and interests.

On April 14, 2020, the Company issued 12,680 thousand units (US$51.25 per unit) of GDR on the Luxembourg Stock Exchange. Each unit represents 5 ordinary shares of the Company.

b. Capital surplus

	December 31	
	2022	2021
May be used to offset a deficit, distributed as cash dividends or Transferred to share capital (1)		
Issuance of ordinary shares and bonds conversion	$ 41,250,842	$ 20,221,583
May only be used to offset a deficit		
Share of changes in capital surplus of associates or subsidiaries (2)	151,159	1,574,490
May not be used for any purpose		
Equity component of convertible bonds	277,878	252,844
	$ 41,679,879	$ 22,048,917

1) 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 to once a year).

2) Such capital surplus arises from the effect of changes in ownership interests in subsidiaries resulted from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the Company's Articles of Incorporation (the "Articles"), when the Company has earnings for the year, the Company shall appropriate for remuneration of directors at 3% or less and for employees' bonus of at least 2% of the earnings. Then, the Company shall make payments for taxes and offset past years' deficit, if any. The remaining profit shall be distributed in the following order:

1) Legal reserve is appropriated at 10% of the remaining profit until the legal reserve equals the Company's paid-in capital.

2) Special reserve is appropriated or reversed in accordance with the laws and regulations.

3) Appropriations for dividends and bonuses, of at least 10% of the remaining profit after appropriations for legal reserve and special reserve, may be proposed by the Company's board of directors and approved at the shareholders' meeting. However, if the earnings distribution proposal is for the distribution of dividend and bonus in cash entirely or partially, it shall be resolved by the board of directors with the attendance of more-than-two-thirds of the directors and consent of the majority of attending directors; also it shall be reported in the shareholders' meeting.

The Company's dividend policy takes into account the Company's current and future competitiveness in the domestic and foreign markets, the investment environment and cash requirements. The policy authorizes the Company's board to propose an earnings distribution in the form of shares or in cash appropriately in accordance with the laws and regulations, with the board's proposal subject to approval at the shareholders' meeting. For the policies on distribution of the compensation of employees and remuneration of directors and supervisors set forth in the Articles, refer to e. compensation of employees and remuneration of directors in Note 24.

If the Company has no loss, the legal reserve and the Company's additional paid-in capital as stipulated in Paragraph 1, Article 241 of the Company Law can be distributed to the shareholders proportionally according to the resolution of the Board of Directors with the attendance of more than two-thirds of the directors and the consent of the majority of attending directors; also, it shall be reported in the shareholders meeting.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. 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 Company's earnings distribution or loss recovery can be completed at the end of each interim fiscal year. The Company before distributing the earnings of the first half of the fiscal year as stated in the preceding paragraph should estimate and retain the amount of tax payable, loss coverage, compensation of employees, and the provision of earnings reserved in advance. However, when the legal reserve equals to the amount of paid-in capital, it is not subject to this restriction.

The appropriations of earnings for 2021 and 2020 were as follows:

	2021	2020
Legal reserve	$ 2,072,668	$ 1,289,970
Special reserve	$ 5,316,805	$ 1,649,104
Cash dividends	$ 5,400,560	$ 3,967,351
Cash dividends per share (NT$)	$ 10.00	$ 8.00

The above 2021 and 2020 appropriations for cash dividends were resolved by the Company's board of directors on March 17, 2022 and April 22, 2021, respectively; the other proposed appropriations for 2021 and 2020 were resolved by the shareholders in the shareholders' meetings on June 8, 2022 and July 7, 2021, respectively.

On April 22, 2021, the Company's board of directors resolved to issue cash dividends of $991,838 thousand from capital surplus, at NT$2 per share, and plus the above cash dividends at NT$8 per share. The total cash dividends at NT$10 per share was issued for 2020.

The appropriation of earnings for 2022, which were proposed by the Company's board of directors on March 14, 2023, were as follows:

	For the Year Ended December 31, 2022
Legal reserve	$ 1,892,330
Special reserve	$ (9,300,817)
Cash dividends	$ 4,186,652
Cash dividends per share (NT$)	$ 10.00

The above appropriation for cash dividends has been resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting to be held on June 6, 2023.

d. Special reserves

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 4,594,931	$ 2,945,827
Appropriations in respect of debit to other equity items	5,316,805	1,649,104
Balance at December 31	$ 9,911,736	$ 4,594,931

e. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ (9,753,973)	$ (4,665,523)
Recognized for the period		
Exchange differences on translation of the financial statements of foreign operations	10,206,150	(5,063,152)
Share from associates accounted for using the equity method	75,342	(25,298)
Reclassification adjustments		
Former owner of business combinations under common control and non-controlling interests transferred to owners of the Company	(952,675)	-
Disposal of foreign operations	3,884	-
Balance at December 31	$ (421,272)	$ (9,753,973)

	Amount Before Tax	Related Income Tax	Amount After Tax
Balance at January 1, 2021	$ (5,843,521)	$ 1,177,998	$ (4,665,523)
Other comprehensive income recognized for the year	(6,360,563)	1,272,113	(5,088,450)
Balance at December 31, 2021	$ (12,204,084)	$ 2,450,111	$ (9,753,973)
Balance at January 1, 2022	$ (12,204,084)	$ 2,450,111	$ (9,753,973)
Other comprehensive income recognized for the year	12,621,407	(2,336,031)	10,285,376
Reclassification adjustments	(952,675)	-	(952,675)
Balance at December 31, 2022	$ (535,352)	$ 114,080	$ (421,272)

2) Unrealized valuation gain/(loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 81,021	$ 71,291
Recognized for the period		
Unrealized gain (loss) - equity instruments	(74,448)	4,473
Share from associates accounted for using the equity method	(23,253)	8,221
Reclassification adjustments		
Former owner of business combinations under common control and non-controlling interests transferred to owners of the Company	1,993	-
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	589	(2,964)
Balance at December 31	$ (14,098)	$ 81,021

3) Gain (loss) on hedging instruments

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 198,811	$ 350,307
Recognized for the period		
Gain (loss) on changes in the fair value of hedging instruments	432,724	(151,496)
Balance at December 31	$ 631,535	$ 198,811

f. Former owner of business combination under common control

1) Exchange differences on translation of the financial statements of the foreign operations

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ (46,739)	$ (33,612)
Recognized for the period		
Exchange differences on translation of the financial statements of foreign operations	-	(13,149)
Related income tax	-	22
Reclassification adjustments		
Former owner of business combinations under common control transferred to owners of the Company	46,739	-
Balance at December 31	$ -	$ (46,739)

2) Unrealized valuation gain/(loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 473	$ 1,162
Recognized for the period		
Unrealized gain - equity instruments	-	(689)
Reclassification adjustments		
Former owner of business combinations under common control transferred to owners of the Company	(473)	-
Balance at December 31	$ -	$ 473

g. Non-controlling interests

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 19,785,301	$ 20,870,739
Share of profit (loss) for the period	38,165	(1,104,708)
Other comprehensive income (loss) during the period		
Exchange difference on translation of the financial statements of foreign operations	6,110	(299,128)
Unrealized gain (loss) on financial assets at FVTOCI	-	(2,617)
Remeasurement of defined benefit plans	-	11,141
Related income tax	-	(2,927)
Adjustments relating to changes in capital surplus of associates accounted for using the equity method	-	648,311
Non-controlling interests increasing from subsidiaries	-	135,000
Cash dividends distributed by subsidiaries	(64,632)	(474,617)
Non-controlling interests reducing from acquisition of subsidiaries (Note 30)	(4,783)	-
Partial disposal of subsidiaries (Note 30)	-	4,107
Disposal of subsidiary (Note 29)	(99,159)	-
Non-controlling interests transferred to owners of the Company	(19,456,042)	-
Balance at December 31	$ 204,960	$ 19,785,301

h. Treasury shares

Purpose of Buy-back	Shares Transferred to Employees (In Thousands of Shares)	Shares Cancelled (In Thousands of Shares)	Shares Held by Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares at January 1, 2021	2,965	-	-	2,965
Increase during the period	4,000	-	-	4,000
Decrease during the period	(2,965)	-	-	(2,965)
Number of shares at December 31, 2021	4,000	-	-	4,000

(Continued)

Purpose of Buy-back	Shares Transferred to Employees (In Thousands of Shares)	Shares Cancelled (In Thousands of Shares)	Shares Held by Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares at January 1, 2022	4,000	-	-	4,000
Increase through business combinations	-	-	1,008	1,008
Increase during the period	-	14,788	-	14,788
Decrease during the period	(816)	(14,788)	(206)	(15,810)
Number of shares at December 31, 2022	3,184	-	802	3,986

(Concluded)

To boost employee morale, the Company's board resolved on July 17, 2018, to buy back up to 4,500 thousand ordinary shares with the buyback price ranging from NT$632.80 to NT$1,616.80 from July 19, 2018 to September 17, 2018 on the Taiwan Stock Exchange. As of September 17, 2018, the last day of the buyback period, the Company bought back 2,965 thousand shares at a total amount of $2,421,552 thousand. The Company canceled the buyback shares on August 23, 2021.

To boost employee morale, the Company's board resolved on May 13, 2021, to buy back up to 4,000 thousand ordinary shares with the buyback price ranging from NT$409.50 to NT$655.00 from May 17, 2021 to July 13, 2021 on the Taiwan Stock Exchange. As of June 10, 2021, the Company bought back 4,000 thousand shares at a total amount of $1,879,155 thousand.

To maintain Company's credit and shareholders' equity, the Company's board resolved on April 26, 2022 to buy back up to 5,500 thousand ordinary shares with the buyback price ranging from NT$280.00 to NT$628.00 per share from April 27, 2022 to June 26, 2022 on the Taiwan Stock Exchange. As of June 16, 2022, the Company bought back 5,500 thousand shares at a total amount of $2,172,957 thousand. The Company canceled the buyback shares on September 30, 2022.

To maintain Company's credit and shareholders' equity, the Company's board resolved on July 11, 2022, to buy back up to 11,000 thousand ordinary shares with the buyback price ranging from NT$304.00 to NT$531.00 from July 12, 2022 to September 11, 2022 on the Taiwan Stock Exchange. As of September 7, 2022, the Company bought back 9,288 thousand shares at a total amount of $2,999,458 thousand. The Company canceled the buyback shares on September 30, 2022.

As described in Note 1, Ko-Shin Investment Limited., the subsidiary of the Company, converted all the ordinary shares originally held in Chilisin Electronics Corp. into ordinary shares of the Company according to the share exchange agreement. Related information regarding shares of the Company held by its subsidiaries on the balance sheet date was as follows:

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
December 31, 2022			
Ko-Shin Investment Limited	802	$ 535,053	$ 361,730

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote. The subsidiaries holding treasury shares, however, are bestowed shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

24. NET PROFIT FOR THE YEAR

a. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Net foreign exchange gains (losses)	$ 1,109,949	$ 1,222,446
Net gain (loss) on disposal of property, plant and equipment	24,127	(3,041)
Dividend income	32,614	11,117
Impairment loss	-	(1,578,168)
Other losses	(303,707)	(93,957)
	$ 862,983	$ (441,603)

b. Finance costs

	For the Year Ended December 31	
	2022	2021
Interest on bank loans	$ 599,082	$ 532,193
Interest on short-term bills	194,866	107,084
Interest on convertible bonds	169,471	105,832
Other finance costs	295,989	316,964
	$ 1,259,408	$ 1,062,073

c. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
An analysis of depreciation by function		
Operating costs	$ 6,101,222	$ 5,938,964
Operating expenses	890,005	951,409
	$ 6,991,227	$ 6,890,373
An analysis of amortization by function		
Operating costs	$ 200,343	$ 187,120
Operating expenses	486,939	483,322
Other expenses	9,509	12,921
	$ 696,791	$ 683,363

d. Employee benefit expense

	For the Year Ended December 31	
	2022	2021
Post-employment benefits		
Defined contribution plans	$ 446,087	$ 473,273
Defined benefit plans (Note 22)	151,706	167,451
	597,793	640,724
Other employee benefits	24,624,188	25,656,980
Total employee benefit expense	$ 25,221,981	$ 26,297,704
An analysis of employee benefit expense by function		
Operating costs	$ 16,481,870	$ 16,303,245
Operating expenses	8,740,111	9,994,459
	$ 25,221,981	$ 26,297,704

e. Compensation of employees' and remuneration of directors

The Company accrued compensation of employees and remuneration of directors at rates of no less than 2% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2022 and 2021, which were approved by the Company's board of directors on March 14, 2023 and March 17, 2022, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2022	2021
Compensation of employees	3%	3%
Remuneration of directors	3%	3%

Amount

	For the Year Ended December 31			
	2022		2021	
	Cash	Shares	Cash	Shares
Compensation of employees	$ 766,476	$ -	$ 807,874	$ -
Remuneration of directors	766,476	-	807,874	-

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.

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

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

f. Gain or loss on foreign currency exchange

	For the Year Ended December 31	
	2022	2021
Foreign exchange gains	$ 5,852,958	$ 3,758,493
Foreign exchange losses	(4,743,009)	(2,536,047)
	$ 1,109,949	$ 1,222,446

25. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of current year	$ 8,126,992	$ 5,378,259
Income tax on unappropriated earnings	511,612	235,995
Land value increment tax	7,416	-
Adjustments for prior years	(105,898)	839,557
	8,540,122	6,453,811
Deferred tax		
In respect of current year	(354,190)	549,475
Adjustments for prior years	172,213	(37,490)
	(181,977)	511,985
Income tax expense recognized in profit or loss	$ 8,358,145	$ 6,965,796

A reconciliation of accounting profit and income tax expense were as follows:

	For the Year Ended December 31	
	2022	2021
Profit before tax	$ 31,128,020	$ 28,704,201
Income tax expense calculated at the statutory rate	$ 6,225,604	$ 5,740,840
Unrecognized deductible temporary differences	29,248	(102,584)
Unrecognized loss carryforwards	-	(66,305)
Income tax on unappropriated earnings	511,612	235,995
Land value increment tax	7,416	-
Additional income tax under the Alternative Minimum Tax Act	-	39,977
Effect of different tax rates in the Group entities operating in other jurisdictions	1,169,895	315,806
Adjustments for prior years' tax	414,370	802,067
Income tax expense recognized in profit or loss	$ 8,358,145	$ 6,965,796

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2022	2021
Deferred tax		
In respect of the current year		
Translation of foreign operations	$ 2,336,031	$ (1,271,434)
Remeasurement of defined benefit plans	6,717	5,816
Total income tax recognized in other comprehensive income	$ 2,342,748	$ (1,265,618)

c. Current tax liabilities

	December 31	
	2022	2021
Current tax liabilities	$ 5,930,871	$ 4,295,120

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Acquisitions Through Business Combinations	Exchange Differences	Closing Balance
Deferred tax assets						
Temporary differences						
Impairment loss on property, plant and equipment	$ 196,970	$ (14,746)	$ -	$ -	$ -	$ 182,224
Inventory write-downs	62,202	6,744	-	-	-	68,946
Accrued expenses	384,665	474,507	-	-	-	859,172
Defined benefit obligation	30,390	(955)	(6,717)	-	-	22,718
Exchange difference on foreign operation	2,450,110	-	(2,336,031)	-	-	114,079
Others	2,213,596	123,053	-	-	(70,162)	2,266,487
	5,337,933	588,603	(2,342,748)	-	(70,162)	3,513,626
Loss carryforwards	155,147	(102,924)	-	-	1,639	53,862
	$ 5,493,080	$ 485,679	$ (2,342,748)	$ -	$ (68,523)	$ 3,567,488
Deferred tax liabilities						
Temporary differences						
Others	$ 4,723,754	$ 303,702	$ -	$ -	$ 100,859	$ 5,128,315

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Acquisitions Through Business Combinations	Exchange Differences	Closing Balance
Deferred tax assets						
Temporary differences						
Impairment loss on property, plant and equipment	$ 207,842	$ (10,872)	$ -	$ -	$ -	$ 196,970
Inventory write-downs	67,835	(5,633)	-	-	-	62,202
Accrued expenses	372,683	11,982	-	-	-	384,665
Defined benefit obligation	35,020	(1,040)	(3,590)	-	-	30,390

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Acquisitions Through Business Combinations	Exchange Differences	Closing Balance
Exchange difference on foreign operation	$ 1,177,997	$ -	$ 1,272,113	$ -	$ -	$ 2,450,110
Others	1,420,696	680,810	(1,109)	-	113,199	2,213,596
	3,282,073	675,247	1,267,414	-	113,199	5,337,933
Loss carryforwards	858,637	(812,353)	-	-	108,863	155,147
	$ 4,140,710	$ (137,106)	$ 1,267,414	$ -	$ 222,062	$ 5,493,080
Deferred tax liabilities						
Temporary differences						
Others	$ 4,482,914	$ 374,879	$ 590	$ -	$ (134,629)	$ 4,723,754

(Concluded)

e. Deductible temporary differences, unused loss carryforwards and unused investment credits for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2022	2021
Loss carryforwards	$ 932,295	$ 931,713
Investment credits	245,203	19,549
Deductible temporary differences	358,117	560,732
	$ 1,535,615	$ 1,511,994

f. Information about unused investment credits, unused loss carryforwards and tax exemptions

Loss carryforwards as of December 31, 2022 comprised:

	Unused Amount	Expiry Year
KEMET Electronics Corporation	$ 10,376,387	2023-2042
Novasentis, Inc.	1,623,132	2026-No expiration (Note)
KEMET Electronics Italia S.r.l.	1,036,119	No expiration
KEMET Corporation	408,232	2025-No expiration (Note)
Pulse Finland Oy	144,261	2023-2028
Pulse Electronics GmbH	88,327	2035
KEMET Blue Powder Corporation	87,549	2025
KEMET Electronics Limited	86,781	No expiration
Pulse Italy S.r.L.	85,145	2035
Pulse (Suzhou) Wireless Products Co., Ltd.	72,613	2024-2025
Pulse Electronics Korea Y	59,806	2023-2034
Pulse Electronics Ltd	51,878	2035
KEMET Electronics Oy	47,751	2030-2031
CST Electronics Co., Ltd	40,309	2035
TOKIN EMC Engineering Co., Ltd	33,195	2030
KEMET Electronics AB	28,835	No expiration
KEMET Electronics GmbH	23,369	No expiration
TOKIN America Inc.	5,957	No expiration
Acadia Co., Ltd	11,054	2029-2031
KEMET Electronics Greater China Limited	1,198	No expiration
	$ 14,311,898	

Note: Loss carryforwards in some regions have no expiration date.

g. Income tax assessments

The Company's income tax returns through 2019 have been assessed by the tax authorities.

26. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2022	**2021**
Basic earnings per share	$ 44.22	$ 46.13
Diluted earnings per share	$ 43.21	$ 44.85

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2022	**2021**
Profit for the period attributable to owners of the Company	$ 22,730,465	$ 22,902,546
Profit for the period attributable to former owner of business combination under common control	1,245	(59,433)
Earnings used in the computation of basic earnings per share	22,731,710	22,843,113
Effect of potentially dilutive ordinary shares		
Interest on convertible bonds (after tax)	55,605	56,717
Net gain on financial instrument at fair value through profit or loss	30,194	1,571
Earnings used in the computation of diluted earnings per share	$ 22,817,509	$ 22,901,401

The weighted average number of ordinary shares outstanding (in thousand of shares) is as follows:

	For the Year Ended December 31	
	2022	**2021**
Weighted average number of ordinary shares used in the computation of basic earnings per share	514,008	495,171
Effect of potentially dilutive ordinary shares:		
Convertible bonds	11,949	13,648
Compensation of employees	2,097	1,843
Weighted average number of ordinary shares used in the computation of diluted earnings per share	528,054	510,662

The share exchange between the Company and Chilisin Electronics Corp. was regarded as an organizational restructuring under common control, and the earnings per share of prior periods were calculated based on the weighted average number of ordinary shares outstanding retrospectively adjusted in accordance with share exchange ratio stated in the joint share exchange agreement.

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are 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 was 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.

27. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee share option plan in 2014

Qualified employees of the Company and its subsidiaries were granted 40,000 thousand units of share options in May 2014. Each option represents one share of the Company's ordinary shares. The vesting period of these options is 10 years. Qualified employees may exercise at certain percentages of the options after two years, from the grant date. The options were granted at an exercise price equal to the closing price of the Company's ordinary shares listed on the on the grant date. For any subsequent changes in the Company's capital surplus, the exercise price is adjusted accordingly. In 2020, the Company adjusted the exercise price from $40.20 to $38.90, according to the formulas as specified by the employee share option plan. Information on employee share options was as follows:

Information on employee share options was as follows:

	For the Year Ended December 31			
	2022		2021	
	Number of Options (In Thousands of Units)	Weighted-average Exercise Price ($)	Number of Options (In Thousands of Units)	Weighted-average Exercise Price ($)
Balance at January 1	-	$ -	2,042	$ 38.90
Options exercised	-	-	(1,900)	38.90
Options expired	-	-	(142)	-
Balance at December 31	-	-	-	-
Options exercisable, end of period	-		-	

The weighted average share prices on the exercise date of the share options for the year ended December 31, 2021 were $583.36.

Options granted in May 2014 were priced using the binomial option pricing model and the inputs to the model were as follows:

	May 2014
Grant-date share price	$17.70
Exercise price	$17.70
Expected volatility	37.50%
Expected life (in years)	10
Expected dividend yield	-
Risk-free interest rate	1.52%

Expected volatility was based on the historical share price volatility over the past 10 years. To allow for the effects of early exercise, the Company assumed that employees would exercise their options after the vesting date when the share price was 1.3 times the exercise price.

b. Employee share option plan of a subsidiary

Chilisin Electronics Corp., a subsidiary of the Company, qualified employees of Chilisin Electronics Corp. and its subsidiaries were granted 7,000 thousand units of share options in April 2015. Each option represents one share of Chilisin Electronics Corp.'s ordinary shares. The vesting period of these options is 8 years. Qualified employees may exercise the share options at certain percentages of the options after three years from the grant date. The options were granted at an exercise price equal to the closing price of Chilisin Electronics Corp.'s ordinary shares listed on the grant date. For any subsequent changes in Chilisin Electronics Corp.'s capital surplus, the exercise price is adjusted accordingly.

As described in Note 1, the Company assumed Chilisin Electronics Corp.'s obligations of outstanding employee share option plans starting from January 5, 2022. The holder of each unexercised employee share option can subscribe for 0.2002 per shares of the Company's ordinary shares. The other conditions were the same, except that the exercise price and quantity were adjusted according to the share exchange ratio specified in the share exchange agreement and the execution target of the agreement was changed to the Company's ordinary shares.

Information on employee share options of Chilisin Electronics Corp. from January 1 to January 4, 2022 and for the year ended December 31, 2021 was as follows:

	From January 1 to January 4, 2022		For the Year Ended December 31, 2021	
	Number of Options (In Thousands)	Weighted-average Exercise Price	Number of Options (In Thousands)	Weighted-average Exercise Price
Balance at January 1	20	$43.20	637	$43.20
Options exercised	-	-	(255)	43.20
Options expired	-	-	(362)	43.20
Options transferred to the Company in accordance with the share exchange agreement	(20)	43.20	-	-
Balance at January 4, 2022 and December 31, 2021, respectively	-	-	20	43.20
Options exercisable, end of period	-		20	

Options granted in April 2015 were priced using the binomial option pricing model and the inputs to the model were as follows:

	April 2015
Grant-date share price	$56.8
Exercise price	$56.8
Expected volatility	38.14-40.89%
Expected life (in years)	8
Expected dividend yield	-
Risk-free interest rate	1.0003%-1.1626%

Expected volatility was based on the historical share price volatility over the past 5 years. To allow for the effects of early exercise, the Company assumed that employees would exercise their options after the vesting date when the share price was 2 times the exercise price.

From January 5, 2022, information on employee share options issued and accepted by the Company was as follows:

	From January 5 to December 31, 2022	
	Number of Options (In Thousands)	Weighted-average Exercise Price
Balance at January 1	-	$ -
Options transferred from Chilisin Electronics Corp.	4	211.8
Options exercised	(4)	211.8
Balance at December 31	-	-
Options exercisable, end of period	-	

28. BUSINESS COMBINATION UNDER COMMON CONTROL

In January 2022 and 2021, the Company acquired 100% interest of Chilisin Electronics Corp. and Bothhand Enterprise Inc., respectively, with the issuance of ordinary shares and cash payment as consideration in order to continue the expansion of the Group's activities. The transaction is a business combination under common control; therefore, the comparative information of the prior period in the consolidated financial statements is restated as if the combination had already occurred.

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Chilisin Electronics Corp.	Manufacturing and selling electronic components	January 5, 2022	100.00	$ 477,793
Bothhand Enterprise Inc.	Manufacturing and selling computer components and electronic components	January 25, 2021	100.00	$ 2,800,000

b. Consideration transferred

	Chilisin Electronics Corp.	Bothhand Enterprise Inc.
Cash	$ -	$ 2,800,000
Equity instruments issued	$ 477,793	$ -

The Company issued 47,779 thousand ordinary shares with a par value of $10 to acquire Chilisin Electronics Corp. in a share exchange agreement, according to the opinion issued by an independent professional in June 2021.

c. Net assets at the date of acquisition

	Chilisin Electronics Corp.	Bothhand Enterprise Inc.
Current assets		
Cash and cash equivalents	$ 3,497,530	$ 142,518
Financial assets at fair value through profit or loss - current	2,043,175	134,411
Financial assets at amortized cost - current	430,837	-
Notes receivable, trade receivables and other receivables	5,796,124	553,249
Inventories	3,515,406	79,651
Other current assets	409,434	1,921
Non-current assets		
Financial assets at fair value through other comprehensive income - non-current	243,835	-
Financial assets at amortized cost - non-current	807,137	-
Investments accounted for using the equity method	-	1,405,512
Property, plant and equipment	7,766,747	208,785
Right-of-use assets	474,189	42,979
Intangible assets	10,888,202	22,840
Deferred tax assets	965,085	-
Other non-current assets	416,595	519,868
Current liabilities		
Financial liabilities at fair value through profit or loss - current	(2,207)	-
Short-term borrowings	(1,779,286)	(553,000)
Short-term bills payable	(99,968)	-
Notes payable, trade payables and other payables	(6,024,830)	(173,419)
Lease liabilities - current	(101,609)	-
Other current liabilities	(579,496)	(2,552)
Non-current liabilities		
Long-term borrowings	(3,276,908)	-
Other non-current liabilities	(2,112,159)	(77,080)
	$ 23,277,833	$ 2,305,683

d. The impact of the business combination under common control

	Chilisin Electronics Corp.	Bothhand Enterprise Inc.
Consideration transferred	$ 477,793	$ 2,800,000
Plus: Organizational restructuring under common control - capital surplus	20,691,277	(494,317)
Plus: Investments accounted for using the equity method	3,398,725	-
Plus: Non-controlling interests	197,830	-
Plus: Unrealized gain on financial assets at FVTOCI	1,993	-
Less: Exchange differences on translation of the financial statements of foreign operations	(952,675)	-
Less: The shares of Chilisin Electronics Corp. held by Ko-Shin Investment Limited	(537,110)	-
Less: Book value of identifiable net assets acquired	(23,277,833)	(2,305,683)
	$ -	$ -

The amount of the consideration paid that exceeds or is less than the carrying amount is adjusted to capital surplus from the issued ordinary shares. When the adjustment is debited to capital surplus and the capital surplus is reduced to zero, the remaining amount is debited to retained earnings.

e. The impact of retrospective restatement for the prior year is summarized below:

Impact on assets, liabilities and equity on December 31, 2021

Account	December 31, 2021 Before Restatement	Impact of Restatement	After Restatement
Assets			
Current assets	$ 89,607,132	$ 15,221,524	$ 104,828,656
Non-current assets	119,940,257	18,133,770	138,074,027
Total assets	$ 209,547,389	$ 33,355,294	$ 242,902,683
Liabilities and equity			
Current liabilities	$ 78,023,944	$ 8,145,927	$ 86,169,871
Non-current liabilities	51,917,895	5,389,067	57,306,962
Total liabilities	$ 129,941,839	$ 13,534,994	$ 143,476,833
Share capital	$ 4,959,189	$ -	$ 4,959,189
Capital surplus	22,048,917	-	22,048,917
Retained earnings	63,761,748	-	63,761,748
Other equity	(9,474,141)	-	(9,474,141)
Treasury shares	(1,879,155)	-	(1,879,155)
Equity attributable to owners of the Company	79,416,558	-	79,416,558

(Continued)

Account	December 31, 2021 Before Restatement	Impact of Restatement	After Restatement
Equity attributable to former owner of business combination under common control	$ -	$ 223,991	$ 223,991
Non-controlling interests	188,992	19,596,309	19,785,301
Total equity	$ 79,605,550	$ 19,820,300	$ 99,425,850
Total liabilities and equity	$ 209,547,389	$ 33,355,294	$ 242,902,683

(Concluded)

Impact on total comprehensive income in 2021

Account	For the Year Ended December 31, 2021 Before Restatement	Impact of Restatement	After Restatement
Operating revenue	$ 106,539,360	$ 15,639,975	$ 122,179,335
Operating costs	(63,545,050)	(12,016,110)	(75,561,160)
Operating expenses	(13,920,205)	(3,714,625)	(17,634,830)
Non-operating income and expenses	957,312	(1,236,456)	(279,144)
Income tax expense	(7,084,645)	118,849	(6,965,796)
Net profit for the period	22,946,772	(1,208,367)	21,738,405
Total comprehensive income for the period	17,835,384	(1,514,816)	16,320,568

29. DISPOSAL OF SUBSIDIARIES

In June 2022, XSemi Corporation, a subsidiary of the Company, issue ordinary shares for cash, and the Group subscribed for additional new shares of XSemi Corporation at a percentage different from its existing ownership percentage, and reduced its continuing interest from 55% to 44%, and control of XSemi Corporation passed to the acquirer.

a. Analysis of assets and liabilities on the date control was lost

	XSemi Corporation
Current assets	
Cash and cash equivalents	$ 235,609
Trade receivables	18
Other current assets	3,726
Non-current assets	
Property, plant and equipment	18,347
Intangible assets	2,961
Other non-current assets	10,708
Current liabilities	(44,324)
Non-current liabilities	(6,693)
Net assets disposed of	$ 220,352

b. Gain on disposal of subsidiaries

	XSemi Corporation
Consideration for participating in the cash capital increase	$ (1,331,000)
Net assets disposed of	(220,352)
Non-controlling interests	99,159
Fair value of remaining investment	1,496,000
Gain on disposal	$ 43,807

c. Net cash outflow on disposal of subsidiary

	XSemi Corporation
Consideration for participating in the cash capital increase	$ (1,331,000)
Plus: Cash and cash equivalent balance disposed of	(235,609)
	$ (1,566,609)

30. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In the first quarter and third quarter of 2022, the Group acquired and disposed the shares of Ko-E Holding (Cayman), increasing its continuing interest from 97.00% to 97.15%.

In the third quarter of 2021, the Group acquired and disposed the shares of Ko-E Holding (Cayman), decreasing its continuing interest from 97.35% to 97.00%.

	Ko-E Holding (Cayman)	
	For the Year Ended December 31	
	2022	2021
Consideration received	$ (8,104)	$ 1,822
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	4,783	(4,107)
Differences recognized from equity transactions	$ (3,321)	$ (2,285)
Line items adjusted for equity transactions		
Capital surplus	$ (3,321)	$ (2,285)

The above transactions were accounted for as equity transactions, since the Group did not cease to have control over the subsidiary.

31. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy in accordance with the Company operations and cash flow to assess the situation and to be properly adjusted to adapt to changes in the market in a timely manner.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings, other equity, and non-controlling interests).

Key management personnel of the Group review the capital structure on an annual basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and the amount of new debt issued or existing debt redeemed.

32. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

December 31, 2022

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$5,694,432	$ -	$ -	$5,250,872	$5,250,872

December 31, 2021

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$5,993,030	$ -	$ -	$5,899,386	$5,899,386

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 656,991	$ 283	$ 657,274
Overseas listed shares	108,128	-	-	108,128
Domestic unlisted shares	-	-	46,104	46,104
Overseas unlisted shares	-	-	653	653
Foreign private funds	-	-	362,719	362,719
Structured notes	-	808,352	-	808,352
Structured deposits	-	-	3,893,164	3,893,164
	$ 108,128	$ 1,465,343	$ 4,302,923	$ 5,876,394

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 812,139	$ -	$ -	$ 812,139
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 178,032	$ 32,322	$ 210,354
Financial assets for hedging				
Cash flow hedges				
Foreign exchange forward contracts	$ -	$ 161,905	$ -	$ 161,905
Net investment in a foreign operation hedges				
Cross-currency swap contracts	-	831,882	-	831,882
	$ -	$ 993,787	$ -	$ 993,787
Financial liabilities for hedging				
Cash flow hedges				
Foreign exchange forward contracts	$ -	$ 7,541	$ -	$ 7,541
Cross-currency swap contracts	-	940,826	-	940,826
	$ -	$ 948,367	$ -	$ 948,367

(Concluded)

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 154,583	$ 848	$ 155,431
Overseas listed shares	263,642	-	-	263,642
Domestic unlisted shares	-	-	46,104	46,104
Overseas unlisted shares	-	-	625	625
Foreign public funds	219,706	-	-	219,706
Foreign private funds	-	-	355,629	355,629
Structured deposits	-	312,963	3,526,709	3,839,672
	$ 483,348	$ 467,546	$ 3,929,915	$ 4,880,809
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 691,440	$ -	$ -	$ 691,440
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 41,517	$ 2,693	$ 44,210

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets for hedging				
Cash flow hedges				
Foreign exchange forward contracts	$ -	$ 2,384	$ -	$ 2,384
Net investment in a foreign operation hedges				
Cross-currency swap contracts	-	504,811	-	504,811
	$ -	$ 507,195	$ -	$ 507,195
Financial liabilities for hedging				
Cash flow hedges				
Foreign exchange forward contracts	$ -	$ 8,326	$ -	$ 8,326
Cross-currency swap contracts	-	621,252	-	621,252
	$ -	$ 629,578	$ -	$ 629,578

(Concluded)

There were no transfers between Levels 1 and 2 in the current and prior year.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2022

	Financial Assets/ Liabilities at FVTPL
	Equity Instruments, Derivative and Other Financial Instruments
Financial assets	
Balance at January 1, 2022	$ 3,929,915
Recognized in profit or loss	12,828
Purchases	15,645,723
Sales	(15,342,578)
Effects of foreign currency exchange differences	57,035
Balance at December 31, 2022	$ 4,302,923

	Derivative Instruments
Financial liabilities	
Balance at January 1, 2022	$ 2,693
Recognized in profit or loss	29,629
Balance at December 31, 2022	$ 32,322

For the year ended December 31, 2021

	Financial Assets/ Liabilities at FVTPL
	Equity Instruments, Derivative and Other Financial Instruments
Financial assets	
Balance at January 1, 2021	$ 2,340,272
Purchases	9,222,024
Recognized in profit or loss	124,185
Sales	(7,722,447)
Effects of foreign currency exchange differences	(34,119)
Balance at December 31, 2021	$ 3,929,915

	Derivative Instruments
Financial liabilities	
Balance at January 1, 2021	$ 4,848
Recognized in profit or loss	(2,155)
Balance at December 31, 2021	$ 2,693

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

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts and swap contracts	Discounted cash flow. Future cash flows are estimated on the basis of observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Derivatives - cross-currency swap contracts	Use the evaluation information provided by the banks and evaluate using the discounted cash flow method, future cash flows are estimated on the basis of observable forward exchange rates and contract interest rates at the end of the reporting period, discounted at a rate that reflects the credit risk of various banks.
Structured notes and structured deposits	Use the valuation technique or the quoted market price of its competitors.

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

The fair values of unlisted equity securities were determined using the income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees. An increase in long-term revenue growth rates or long-term pre-tax operating margin or a decrease in WACC or discount for the lack of marketability used in isolation would result in increases in fair value.

The foreign private funds held by the Group were valued using the asset-based approach and were based on the net asset value measured at fair value and the investment agreement.

The structured deposits were valued using the future cash flows.

The fair values of redemption options and put options of domestic and foreign convertible bonds were determined using the binomial option pricing model, where the unobservable input is historical volatility. An increase in historical volatility used in isolation would result in an increase in the fair value.

c. Categories of financial instruments

	December 31	
	2022	**2021**
Financial assets		
FVTPL		
Mandatorily classified as at FVTPL	$ 5,876,394	$ 4,880,809
Financial assets for hedging	993,787	507,195
Financial assets at amortized cost (1)	97,715,790	82,605,858
Financial assets at FVTOCI		
Equity instruments	812,139	691,440
Financial liabilities		
FVTPL		
Mandatorily classified as at FVTPL	210,354	44,210
Financial liabilities for hedging	948,367	629,578
Amortized cost (2)	132,850,354	124,818,639

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

2) The balances included financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, trade payables (including related parties), other payables (including related parties), current portion of long-term borrowings, bonds payable, long-term borrowings and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables, and borrowings. The Group'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 (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Group's impartment financial activities are reviewed by the board of directors in accordance with related standard and internal controls. In executing financial plan, the Group have to obey the related financial operating procedures regarding financial risk management and segregation of duties.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Group entered into foreign exchange forward contracts, swap contracts and cross-currency swap contracts to manage its exposure to foreign currency risk.

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group had foreign currency denominated sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing forward foreign exchange contracts, swap contracts and cross-currency swap contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposing to foreign currency risk at the end of the reporting period are set out in Note 36.

Sensitivity analysis

The Group assessed the foreign currency risk of its significant assets and liabilities as well as taking unexpired exchange forward contracts, swap contracts and cross-currency swap contracts into consideration.

The Group was mainly exposed to the USD, EUR and JPY.

The following table details the Group's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign exchange forward contracts designated as cash flow hedges, and adjusts their translation at the end of the year for a 1% change in foreign currency rates. A negative number below indicates a decrease in pre-tax profit associated with New Taiwan dollars strengthening 1% against the relevant currency. For a 1% weakening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be positive.

	USD Impact		EUR Impact		JPY Impact	
	For the Year Ended December 31		For the Year Ended December 31		For the Year Ended December 31	
	2022	2021	2022	2021	2022	2021
Profit or loss	$ (220,657)	$ (238,802)	$ (51,719)	$ (37,452)	$ (8,057)	$ 8,661

The analysis of profit or loss of the table was mainly attributable to the exposure to outstanding USD, EUR and JPY which were not hedged, at the end of the reporting period.

The Group's sensitivity to foreign currency exchange increased during the current period mainly due to the addition of the EUR- and JPY-denominated net assets.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate.

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

	December 31	
	2022	2021
Fair value interest rate risk		
Financial assets	$ 37,646,125	$ 23,072,503
Financial liabilities	69,447,598	67,160,364
Cash flow interest rate risk		
Financial assets	35,325,042	35,954,789
Financial liabilities	26,790,014	25,046,989

The Group's fixed-term time deposits, bank borrowings, short-term bills and bonds payable are exposed to fair value interest rate risk; however, this expected risk is insignificant.

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year was outstanding for the whole year. A 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher and all other variables were held constant, the Group's variable-rate financial assets for the years ended December 31, 2022 and 2021 would have resulted in cash inflows by $85,350 thousand and $109,078 thousand, respectively.

The Group's sensitivity to interest rates decreased during the current period mainly due to the increased in variable-rate financial liabilities from the current period.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the period.

If equity prices had been 1% lower, the pre-tax profit for the years ended December 31, 2022 and 2021 would have decreased by $5,176 thousand and $8,858 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL. If equity prices had been 1% lower, the comprehensive income for the years ended December 31, 2022 and 2021 would have decreased by $8,121 thousand and $6,914 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Group's sensitivity to investments in equity securities has increased during the current year mainly due to the increase in equity securities.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the year, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group, could be equal to the total of the following:

a) The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets; and

b) The amount of contingent liabilities in relation to financial guarantee issued by the Group.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and 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, 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 reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, management believes the Group's credit risk was significantly reduced.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Ongoing credit evaluation is performed on the financial condition of trade receivables.

The Group did transactions with a large number of unrelated customers and, thus, no concentration of credit risk was observed.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2022 and 2021, the Group had available unutilized short-term bank loan facilities of $73,057,000 thousand and $56,754,126 thousand, respectively.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The table below summarizes the maturity profile of the Group's financial liabilities based on undiscounted contractual payments but did not include the financial liabilities with carrying amounts that approximated contractual cash flows:

	Carrying Amount	Contractual Cash Flows	Within 1 Year	More than 1 Year
December 31, 2022				
Short-term borrowings	$ 12,492,638	$ 12,590,608	$ 12,590,608	$ -
Short-term bills payable	28,075,967	28,150,000	28,150,000	-
Long-term borrowings	34,328,819	34,834,820	3,560,429	31,274,391
Bonds payable	20,180,733	20,521,633	5,326,673	15,194,960
	$ 95,078,157	$ 96,097,061	$ 49,627,710	$ 46,469,351
December 31, 2021				
Short-term borrowings	$ 26,005,204	$ 26,072,337	$ 26,072,337	$ -
Short-term bills payable	20,078,123	20,100,000	20,100,000	-
Long-term borrowings	28,719,295	31,812,018	3,369,260	28,442,758
Bonds payable	15,981,017	16,253,616	63,100	16,190,517
	$ 90,783,639	$ 94,237,971	$ 49,604,697	$ 44,633,275

b) Liquidity and interest rate risk tables for derivative financial liabilities

The following table detailed the Group's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the year.

December 31, 2022

	On Demand or Less than 3 Months	**3 Months to 6 Months**	**Over 6 Months to 12 Months**	**1 Year to 5 Years**
Gross settled				
Foreign exchange forward contracts				
Inflows	$ 6,411,828	$ 8,565,483	$ 3,425,510	$ 411,082
Outflows	(6,193,567)	(8,375,013)	(3,220,874)	(390,851)
	$ 218,261	$ 190,470	$ 204,636	$ 20,231
Swap contracts				
Inflows	$ 1,478,929	$ 921,240	$ 294,585	$ 614,160
Outflows	(1,465,567)	(868,860)	(272,646)	(547,700)
	$ 13,362	$ 52,380	$ 21,939	$ 66,460
Cross-currency swap contracts				
Inflows	$ 614,160	$ -	$ 1,228,320	$ -
Outflows	(561,000)	-	(1,210,000)	-
	$ 53,160	$ -	$ 18,320	$ -
Net settled				
Cross-currency swap contracts				
Inflows	$ -	$ -	$ -	$ 11,101,378
Outflows	-	-	-	(11,298,462)
	$ -	$ -	$ -	$ (197,084)

December 31, 2021

	On Demand or Less than 3 Months	3 Months to 6 Months	Over 6 Months to 12 Months	1 Year to 5 Years
Gross settled				
Foreign exchange forward contracts				
Inflows	$ 9,487,139	$ 4,344,927	$ 9,048,256	$ 1,618,531
Outflows	(10,518,613)	(4,258,713)	(8,889,024)	(1,585,007)
	$ (1,031,474)	$ 86,214	$ 159,232	$ 33,524
Swap contracts				
Inflows	$ 1,112,034	$ 305,766	$ 1,011,408	$ -
Outflows	(1,113,110)	(306,317)	(1,017,720)	-
	$ (1,076)	$ (551)	$ (6,312)	$ -
Cross-currency swap contracts				
Inflows	$ -	$ 1,107,600	$ 830,700	$ -
Outflows	-	(1,114,000)	(837,000)	-
	$ -	$ (6,400)	$ (6,300)	$ -
Net settled				
Cross-currency swap contracts				
Inflows	$ -	$ -	$ -	$ 12,013,993
Outflows	-	-	-	(12,213,942)
	$ -	$ -	$ -	$ (199,949)

33. 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 and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category:

Related Party Name	Related Party Category
Kaimei Electronic Corp.	Associate
KEMET Jianghai Electronics Components Co., Ltd.	Associate
Nippon Yttrium Co., Ltd.	Associate
NT Sales Co., Ltd.	Associate

(Continued)

Related Party Name	Related Party Category
Yuanling Country Xianghua Electronic Technology Co., Ltd. (Xianghua)	Associate
Ruiyi Technology (HongKong) Share Co., Limited	Associate
Shenzhen Ruiyi Electronics Co., Ltd.	Associate
XSemi Corporation	Associate (transferred from subsidiary to associate started from June 2022)
Teapo Electronics (H.K.) Ltd.	Subsidiary of associate
Teapo Electronics (Dongguan) Co., Ltd.	Subsidiary of associate
Ralec Electronic Corporation	Subsidiary of associate
Ralec Technology (Kunshan) Limited	Subsidiary of associate
Ralec Trading (Kunshan) Limited	Subsidiary of associate
Hunan Ralec Electronics Technology Co., Ltd.	Subsidiary of associate
ASJ PTE LTD	Subsidiary of associate
ASJ Components (M) Sdn. Bhd.	Subsidiary of associate
Suzhou Kaimei Electronic Co., Ltd.	Subsidiary of associate
Hsin Bung International Co., Ltd.	Substantial related party
Yixin International Co., Ltd.	Substantial related party
Yixin Trading (Shenzhen) Co., Ltd.	Substantial related party
Suzhou Xingguo Electronics Co., Ltd.	Substantial related party
Yageo Professional Competition Development Association	Substantial related party
Yageo Foundation	Substantial related party
Tong Hsing Electronic Industries, Ltd.	Other related party

(Concluded)

b. Sales of goods

Line Item	Related Party Category	For the Year Ended December 31 2022	2021
Sales	Associate	$ 2,778,834	$ 1,667,022
	Substantial related party	189,517	574,809
	Other related party	205	61
		$ 2,968,556	$ 2,241,892

c. Purchases of goods

Related Party Category	For the Year Ended December 31 2022	2021
Associate	$ 1,026,342	$ 1,284,363
Substantial related party	1,018,417	1,085,988
	$ 2,044,759	$ 2,370,351

d. Receivables from related parties

Line Item	Related Party Category/Name	December 31 2022	December 31 2021
Trade receivable	Associate	$ 498,345	$ 258,330
	Substantial related party	39,916	169,203
	Other related party	6	64
		$ 538,267	$ 427,597
Other receivables	Associate	$ 10,355	$ 7,794
	Substantial related party	-	20
		$ 10,355	$ 7,814

The outstanding trade receivable from related parties are unsecured. For the years ended December 31, 2022 and 2021, no impairment loss was recognized for trade receivable from related parties.

e. Payables to related parties

Line Item	Related Party Category/Name	December 31 2022	December 31 2021
Trade payable	Associate	$ 295,502	$ 384,531
	Substantial related party	124,503	243,833
		$ 420,005	$ 628,364
Other payables	Associate	$ 5,530	$ 13,224
	Substantial related party	-	1,728
		$ 5,530	$ 14,952

The outstanding trade payables to related parties are unsecured.

The payment terms for the trade receivables from (trade payables to) related parties were based on the terms of the related contracts. Other related party transactions were conducted under normal terms.

f. Acquisition of property, plant and equipment

Related Party Category/Name	Purchase Price For the Year Ended December 31 2022	Purchase Price For the Year Ended December 31 2021
Associate	$ 11,476	$ 20,649
Other related party	-	720
	$ 11,476	$ 21,369

g. Disposal of property, plant and equipment

	Proceeds		Gain (Loss) on Disposal	
	For the Year Ended December 31		For the Year Ended December 31	
Related Party Category/Name	**2022**	**2021**	**2022**	**2021**
Other related party	$ 9,705	$ -	$ 3,877	$ -

h. Lease arrangements - Group is lessor

The Group leases out land, office and plant to its associate - Kaimei Electronic Corp., Teapo Electronics (Dongguan) Co., Ltd. and its substantial related party - Suzhou Xingguo Electronics Co., Ltd. under operating leases with lease terms of 1-3 years. As of December 31, 2022 and 2021, the balance of the gross lease payments receivable are $8,583 thousand and $16,233 thousand, respectively.

Lease income was as follows:

	For the Year Ended December 31	
Related Party Category/Name	**2022**	**2021**
Associates/Teapo Electronics (Dongguan) Co., Ltd	$ 24,912	$ 27,778
Associates/others	264	3,105
Substantial related parties	16	799
	$ 25,192	$ 31,682

All the terms and conditions of above rental contracts conformed to normal business practice.

i. Lease arrangements - the Group is lessee

		For the Year Ended December 31	
Line Item	**Related Party Category**	**2022**	**2021**
Lease liabilities	Associates	$ 2,413	$ 8,137

		For the Year Ended December 31	
Line Item	**Related Party Category**	**2022**	**2021**
Interest expense	Associates	$ 93	$ 207

j. Disposals of investment properties

	Proceeds		Gain (Loss) on Disposal	
	For the Year Ended December 31		For the Year Ended December 31	
Related Party Category/Name	**2022**	**2021**	**2022**	**2021**
Other related party/Tong Hsing Electronic Industries, Ltd.	$ 120,679	$ -	$ 26,480	$ -

k. Acquisition of other assets

Related Party Category/Name	Line Items	Purchase Price For the Year Ended December 31 2022	2021
Associates/Kaimei Electronic Corp.	Bothhand Enterprise Inc.	$ -	$ 2,800,000

l. Disposal of other assets

Related Party Category/Name	Line Items	Proceeds For the Year Ended December 31 2022	2021	Gain (Loss) on Disposal For the Year Ended December 31 2022	2021
Associates/Kaimei Electronic Corp.	Ralec Electronic Corporation	$ -	$ 5,000,000	$ -	$ -

m. Other transactions with related parties

Line Item	Related Party Category	For the Year Ended December 31 2022	2021
Other incomes	Associates	$ 10,665	$ -
Other expenses	Substantial related party	$ 8,000	$ 2,000
	Associates	1,424	34
		$ 9,424	$ 2,034

n. Compensation of key management personnel

	For the Year Ended December 31 2022	2021
Short-term employee benefits	$ 942,802	$1,126,119
Post-employment benefits	769	2,050
	$ 943,571	$1,128,169

The remuneration of directors and key executives, as determined by the remuneration committee, was based on the performance of individuals and market trends.

34. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31	
	2022	2021
Property, plant and equipment, net	$ 3,253,733	$ 3,096,803
Trade receivables	3,197,362	2,870,423
Inventories	190,021	164,617
Investment properties	-	50,156
	$ 6,641,116	$ 6,181,999

The part of pledged assets mentioned above were provided as collateral for the available unutilized bank borrowings.

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and unrecognized commitments of the Group as of December 31, 2022 and 2021, were as follows:

a. Significant unrecognized commitments

1) Unrecognized commitments were as follows:

	December 31	
	2022	2021
Acquisition of property, plant and equipment	$ 8,264,182	$ 8,228,271
Disposal of property, plant and equipment	$ 2,114,475	$ -

2) The Group continued to focus on the operating strategy of the high-end niche field and expansion of the highly designed product portfolio in order to become a leading supplier of high-end electronic component solutions. The Company's board of directors resolved to acquire 100% interest of the advanced temperature sensor business division of Heraeus Nexensos and the advanced industrial and telemecanique sensors business division of Schneider Electric for cash consideration of EUR79.40 million and EUR686 million in August and October 2022, respectively.

b. Contingencies

Contingent liabilities

1) Please refer to Table 2 about the endorsements/guarantees and between the Company and subsidiaries.

2) In December 2015, the Taiwan Fair Trade Commission (TFTC) notified TOKIN Corporation (TOKIN) of its decision to impose an administrative fine on TOKIN for violation of the Taiwan Fair Trade Act as it affected the function of the tantalum capacitor market. TOKIN filed its appeal against the TFTC's decision with the Taipei High Administrative Court in January 2016 and obtained a favorable judgment. TFTC appealed to the Taiwan Administrative Supreme Court. In December 2019, the Taiwan Administrative Supreme Court directed the TFTC to recalculate the fine. Both agreed to try to settle in accordance with the court's suggestion. The hearing was held on September 15, 2022. Before the resulting judgment on the appeal is determined, TOKIN needs to pay the fine first, which will be paid in 48 installments starting from September 2021 according to

the agreement with the TFTC. The case is currently under trial. The Group has recognized related liabilities and believes the compensatory damages would not significantly affect its financial condition and business operations.

3) In August 2013, Continental GA, a German company, filed a lawsuit against KEMET Electronics GmbH, subsidiary of the Group, for damages in a German court due to abnormal capacitor issues. The Group was opposed to the claims made by Continental GA. In May 2020, as encouraged by the judge, the Group and Continental GA began conducting settlement discussions. The hearing has been held in January 2023. The settlement is still in progress. The Group has recognized related liabilities and believes the compensatory damages would not significantly affect its financial condition and business operations.

4) CYNTEC Co., Ltd., the subsidiary of Delta Electronics, Inc., filed a patent infringement lawsuit against the Company and its subsidiary Chilisin America Ltd. in the United States District Court for the Northern District of California in 2018. In May 2022, the U.S. District Court announced a verdict that Chilisin America Ltd. should pay US$5,553 thousands in damages. Chilisin America Ltd. has filed an appeal on May 31, 2022. The hearing has been held in March 2023. The Group has recognized related liabilities.

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between foreign currencies and respective functional currencies are as follows:

December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 305,226	6.9514 (USD:RMB)	$ 9,372,822
USD	151,529	7.7975 (USD:HKD)	4,653,170
USD	433,110	30.708 (USD:NTD)	13,299,942
USD	106,074	0.9382 (USD:EUR)	3,257,414
USD	419	22.652 (USD:CZK)	12,866
USD	545	82.74 (USD:INR)	16,734
USD	2,037	57.69 (USD:MKD)	62,553
USD	5,493	34.513 (USD:THB)	168,688
USD	51,755	131.79 (USD:JPY)	1,589,244
EUR	731	7.4095 (EUR:RMB)	23,927
EUR	32,912	32.7317 (EUR:NTD)	1,077,266
EUR	151,457	1.0659 (EUR:USD)	4,957,439
EUR	709	24.1448 (EUR: CZK)	23,206
EUR	541	1.9557 (EUR:BGN)	17,708
HKD	351,029	0.8915 (HKD:RMB)	1,382,423
HKD	41,144	0.1282 (HKD:USD)	161,974
HKD	11,190	0.1203 (HKD:EUR)	44,062
RMB	641,237	0.1439 (RMB:USD)	2,833,550

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
RMB	$ 173,568	4.4175 (RMB:NTD)	$ 766,737
RMB	270,088	0.135 (RMB:EUR)	1,193,459
JPY	7,104,329	0.2330 (JPY:NTD)	1,655,309
JPY	81,951	0.0076 (JPY:USD)	19,126
PLN	10,437	0.2135 (PLN:EUR)	72,936
SGD	2,990	0.7451 (SGD:USD)	68,413
VND	152,229,712	0.00004 (VND:USD)	186,987
IDR	15,646,829	0.0001 (IDR:USD)	48,048
			$ 46,966,003
Non-monetary items			
Investments accounted for using equity method			
JPY	1,775,707	0.0076 (JPY:USD)	$ 414,417
USD	13,120	30.708 (USD:NTD)	402,896
HKD	38,309	0.1282 (HKD:USD)	150,813
RMB	15,569	0.1439 (RMB:USD)	68,797
			$ 1,036,923
Financial liabilities			
Monetary items			
USD	250,599	30.708 (USD:NTD)	$ 7,695,394
USD	75,303	6.9514 (USD:RMB)	2,312,390
USD	7,524	0.9382 (USD:EUR)	231,054
USD	3,033	131.7900 (USD:JPY)	93,135
USD	556	1.8348 (USD:BGN)	17,074
USD	609	34.513 (USD:THB)	18,702
EUR	780	7.4095 (EUR:RMB)	25,531
EUR	855	32.7317 (EUR:NTD)	27,986
EUR	12,135	1.0659 (EUR:USD)	397,199
EUR	11,266	24.1448 (EUR:CZK)	368,744
EUR	552	61.4918 (EUR:MKD)	18,068
EUR	2,752	1.9557 (EUR:BGN)	90,077
HKD	5,569	0.8915 (HKD:RMB)	21,932
HKD	13,083	0.1282 (HKD:USD)	51,505
RMB	208,974	0.1439 (RMB:USD)	923,431
RMB	35,751	0.1350 (RMB:EUR)	157,976
JPY	1,937,253	0.2330 (JPY:NTD)	451,380
JPY	535,702	0.0527 (JPY:RMB)	124,713
JPY	1,109,663	0.0076 (JPY: USD)	258,974
JPY	144,653	0.2619 (JPY:THB)	33,710
PLN	20,175	0.2135 (PLN:EUR)	140,987
CAD	6,525	0.7384 (CAD:USD)	147,953
SGD	1,389	0.7451 (SGD:USD)	31,781
VND	70,376,693	0.00004 (VND:USD)	86,445
			$ 13,726,141

(Concluded)

December 31, 2021

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 456,689	27.6900 (USD:NTD)	$ 12,645,718
USD	466,727	6.3746 (USD:RMB)	12,923,665
USD	213,750	7.7988 (USD:HKD)	5,918,660
USD	103,587	0.8839 (USD:EUR)	2,868,455
USD	1,203	1.7283 (USD:BGN)	33,311
USD	1,070	54.3600 (USD:MKD)	29,629
USD	57,179	33.3600 (USD:THB)	1,583,218
USD	16,063	0.7419 (USD:GBP)	444,788
USD	7,812	9.0656 (USD:SEK)	216,314
USD	6,647	1.3529 (USD:SGD)	184,055
USD	193,133	115.1300 (USD:JPY)	5,347,614
EUR	6,763	7.2122 (EUR:RMB)	211,874
EUR	86,851	31.3285 (EUR:NTD)	2,720,912
EUR	39,826	1.1314 (EUR:USD)	1,247,687
EUR	2,457	24.9745 (EUR:CZK)	76,973
EUR	887	1.9554 (EUR:BGN)	27,788
EUR	715	61.5209 (EUR:MKD)	22,401
EUR	2,305	10.2568 (EUR:SEK)	72,212
JPY	266,893	0.0554 (JPY:RMB)	64,227
JPY	1,112,190	0.2405 (JPY:NTD)	267,482
HKD	130,804	3.5505 (HKD:NTD)	464,420
HKD	18,536	0.1282 (HKD:USD)	65,800
HKD	12,611	0.1133 (HKD:EUR)	44,763
RMB	274,318	4.3438 (RMB:NTD)	1,191,583
RMB	428,195	0.1569 (RMB:USD)	1,860,319
RMB	71,523	0.1387 (RMB:JPY)	310,786
SGD	1,186	0.7392 (SGD:USD)	24,276
VND	22,796,123	0.0000 (VND:USD)	25,249
PLN	11,408	0.2176 (PLN:EUR)	77,769
			$ 50,971,948
Non-monetary items			
Investments accounted for using equity method			
JPY	1,342,299	0.0087 (JPY:USD)	$ 323,361
USD	11,361	27.6900 (USD:NTD)	314,580
			$ 637,941

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Financial liabilities			
Monetary items			
USD	$ 253,220	27.6900 (USD:NTD)	$ 7,011,662
USD	286,493	6.3746 (USD:RMB)	7,932,988
USD	2,326	7.7988 (USD:HKD)	64,406
USD	24,193	0.8839 (USD:EUR)	669,935
USD	83,627	115.1300 (USD:JPY)	2,315,528
USD	470	54.360 (USD:MKD)	13,015
USD	8,632	33.3600 (USD:THB)	239,010
USD	2,479	0.7419 (USD:GBP)	68,644
EUR	1,920	7.2122 (EUR:RMB)	60,150
EUR	1,074	31.3285 (EUR:NTD)	33,647
EUR	3,515	1.1314 (EUR:USD)	110,120
EUR	12,482	24.9745 (EUR:CZK)	391,036
EUR	1,268	61.5209 (EUR:MKD)	39,726
JPY	1,933,722	0.2405 (JPY:NTD)	465,060
JPY	1,580,507	0.0554 (JPY:RMB)	380,344
JPY	1,207,832	0.0087 (JPY:USD)	290,970
JPY	255,528	0.2898 (JPY:THB)	61,463
HKD	11,063	0.8174 (HKD:RMB)	39,281
HKD	14,650	0.1282 (HKD:USD)	52,005
RMB	243,104	0.1569 (RMB:USD)	1,056,180
RMB	62	0.1387 (RMB:EUR)	269
RMB	2,628	0.2711 (RMB:BGN)	11,415
GBP	1,000	1.3479 (GBP:USD)	37,323
GBP	1,975	1.1914 (GBP:EUR)	73,716
SGD	1,401	0.7392 (SGD:USD)	28,676
BGN	1,257	0.5786 (BGN:RMB)	20,139
VND	79,746,419	0.0000 (VND:USD)	88,328
			$ 21,555,036

(Concluded)

For the years ended December 31, 2022 and 2021, realized and unrealized net foreign exchange gains were $1,109,949 thousand and $1,222,446 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

37. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others. (Table 1)

2) Endorsements/guarantees provided. (Table 2)

3) Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities). (Table 3)

4) Marketable securities acquired or disposed of at costs or prices at least NT$300 million or 20% of the paid-in capital. (Table 4)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital. (Table 5)

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 6)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 7)

9) Trading in derivative instruments. (Notes 7, 10 and 32)

10) Intercompany relationships and significant intercompany transactions. (Table 10)

b. Information on investees. (Table 8)

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 9)

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:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year. (Table 6)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year. (Table 6)

c) The amount of property transactions and the amount of the resultant gains or losses. (Eliminated from the consolidated financial statements)

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes. (Table 2)

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds. (Table 1)

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 receiving of services. (None)

d. Information on 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 11)

38. SEGMENT INFORMATION

a. Basic information

Information reported to the chief operating decision maker for resource allocation and the assessment of segment performance is solely based on the financial information of each plant owned by the Group. Each plant has similar economic features as well as manufacturing procedures. In addition, products are sold by the Group in a centralized way. Thus, the Group is reported as a single segment. The Group's revenue and operating results in 2022 and 2021 are shown in the consolidated statements of comprehensive income for 2022 and 2021.

b. Revenue from major products

The following is an analysis of the Group's revenue from its major products.

	For the Year Ended December 31	
	2022	2021
Magnetics	$ 34,739,953	$ 31,622,465
Tantalum	26,244,234	22,952,519
Capacitors	24,809,912	29,968,128
Resistors	14,968,358	18,300,683
Others	20,324,468	19,335,540
	$ 121,086,925	$ 122,179,335

c. Geographical information

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue from External Customers		Non-current Assets	
	Year Ended December 31		December 31	
	2022	2021	2022	2021
China	$ 50,457,316	$ 65,350,063	$ 70,174,027	$ 63,627,162
Europe	25,333,983	23,248,264	2,660,320	2,570,456
USA	18,088,376	15,119,781	59,442,815	51,261,354
Asia	27,207,250	18,461,227	2,865,283	2,590,083
	$ 121,086,925	$ 122,179,335	$ 135,142,445	$ 120,049,055

Non-current assets exclude financial instruments, deferred tax assets and net defined benefit assets.

d. Information about major customers

No single customer contributed 10% or more to the Group's revenue for both 2022 and 2021.

YAGEO CORPORATION AND SUBSIDIARIES

FINANCINGS PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period (Foreign Currency in Thousands)	Ending Balance (Foreign Currency in Thousands)	Amount Actually Drawn (Foreign Currency in Thousands)	Interest Rate	Nature for Financing (Note 3)	Transaction Amounts	Reason for Financing	Allowance for Impairment Loss	Collateral		Financing Limits for Each Borrowing Company (Foreign Currency in Thousands) (Note 1)	Financing Company's Total Financing Amount Limits (Foreign Currency in Thousands) (Note 2)
													Item	Value		
0	Yageo Corporation	Kuo-Shin Investment Limited	Receivables from related parties	Yes	$ 2,000,000	$ 2,000,000	$ -	1.04%	b	$ -	For revolving fund	$ -	None	$ -	$ 48,537,743	$ 48,537,743
1	Yageo Holding (Bermuda) Ltd.	Yageo Europe Holding B.V.	Loans to subsidiaries considered as a component of investment	Yes	EUR 172,956	EUR 172,956	EUR 172,956	-	b	-	For revolving fund	-	None	-	US$ 1,960,460	US$ 1,960,460
		Brightking Holdings Ltd.	Receivables from related parties	Yes	US$ 5,000	US$ 2,200	US$ 2,200	-	b	-	For revolving fund	-	None	-	US$ 1,960,460	US$ 1,960,460
		Yageo Corporation	Receivables from related parties	Yes	US$ 300,000	US$ 300,000	US$ 300,000	-	b	-	For revolving fund	-	None	-	US$ 1,960,460	US$ 1,960,460
		Yageo USA (H.K.) Limited	Receivables from related parties	Yes	US$ 518,182	US$ 218,182	US$ 218,182	-	b	-	For revolving fund	-	None	-	US$ 1,960,460	US$ 1,960,460
2	Vitrohm Holding GmbH	Yageo Holding (Bermuda) Ltd.	Receivables from related parties	Yes	EUR 6,568	EUR 6,568	EUR 6,486	1.25%	b	-	For revolving fund	-	None	-	EUR 14,176	EUR 14,176
3	Yageo USA (H.K.) Limited	Yageo Holding (Bermuda) Ltd.	Receivables from related parties	Yes	US$ 50,000	-	-	-	b	-	For revolving fund	-	None	-	US$ 31,856	US$ 31,856
		Yageo Corporation	Receivables from related parties	Yes	US$ 400,000	-	-	-	b	-	For revolving fund	-	None	-	US$ 31,856	US$ 31,856
4	Yageo (Suzhou) Trade Co., Ltd.	Yageo Electronics (China) Co., Ltd.	Receivables from related parties	Yes	RMB 300,000	RMB 300,000	-	2.00%	b	-	For revolving fund	-	None	-	RMB 150,878	RMB 150,878
5	Yageo Europe Holding B.V.	Yageo USA (H.K.) Limited	Receivables from related parties	Yes	US$ 52,000	US$ 52,000	US$ 52,000	0.50%	b	-	For revolving fund	-	None	-	EUR 133,904	EUR 133,904
6	Bestbright Electronics Co., Ltd.	Yageo Components (Jiashan) Co, Ltd.	Other receivables - related parties	Yes	RMB 5,000	-	-	-	b	-	For revolving fund	-	None	-	RMB 230,946	RMB 230,946
7	Kuo-Shin Investment Limited	Ko-E Component Co., Ltd.	Receivables from related parties	Yes	200,000	200,000	115,000	1.50%	b	-	For revolving fund	-	None	-	401,727	401,727
8	Yageo Holding Hungary LLC	KEMET Corporation	Receivables from related parties	Yes	US$ 100,000	-	-	-	b	-	For revolving fund	-	None	-	US$ 2,457,352	US$ 2,457,352
9	Pulse Components. Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	Receivables from related parties	Yes	US$ 18,000	US$ 18,000	US$ 18,000	-	a	US$ 32,273	-	-	None	-	US$ 32,273	US$ 32,273
10	Pulse Electronics (Singapore) Pte. Ltd.	Yageo Corporation	Receivables from related parties	Yes	US$ 100,000	US$ 100,000	US$ 100,000	0.50%	b	-	For revolving fund	-	None	-	US$ 218,792	US$ 218,792
		Pulse India	Receivables from related parties	Yes	US$ 5,600	US$ 5,600	US$ 5,600	1.00%	b	-	For revolving fund	-	None	-	US$ 218,792	US$ 218,792
11	TOKIN Corporation	KEMET Corporation	Receivables from related parties	Yes	JPY 11,000,000	JPY 5,500,000	JPY 5,500,000	2.13636%	b	-	For revolving fund	-	None	-	JPY 54,297,557	JPY 54,297,557
		KEMET Corporation	Receivables from related parties	Yes	JPY 16,500,000	JPY 16,500,000	JPY 16,500,000	2.38636%	b	-	For revolving fund	-	None	-	JPY 54,297,557	JPY 54,297,557
12	KEMET Electronics Corporation	KEMET Electronics Bulgaria EAD	Receivables from related parties	Yes	EUR 8,000	EUR 8,000	EUR 7,500	2.50%	b	-	For revolving fund	-	None	-	US$ 1,720,123	US$ 1,720,123
		KEMET Electronics Italia SRL	Receivables from related parties	Yes	EUR 26,376	EUR 26,376	EUR 26,376	-	b	-	For revolving fund	-	None	-	US$ 1,720,123	US$ 1,720,123
13	KEMET Electronics (Suzhou) Co., Ltd.	Shanghai Arcotronics Components & Machineries Co., Ltd.	Receivables from related parties	Yes	RMB 5,300	RMB 5,300	-	3.65%	b	-	For revolving fund	-	None	-	US$ 103,027	US$ 103,027
14	EGSTON System Electronics Eggenburg GmbH	EGSTON System Electronic spol.s.r.o.	Receivables from related parties	Yes	EUR 5,100	EUR 5,100	EUR 4,100	4.547%	b	-	For revolving fund	-	None	-	US$ 18,424	US$ 18,424
15	EGSTON Automotive Eggenburg GmbH	EGSTON Holding GmbH	Receivables from related parties	Yes	EUR 1,500	EUR 1,500	-	4.547%	b	-	For revolving fund	-	None	-	US$ 2,457	US$ 2,457

(Continued)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period (Foreign Currency in Thousands)	Ending Balance (Foreign Currency in Thousands)	Amount Actually Drawn (Foreign Currency in Thousands)	Interest Rate	Nature for Financing (Note 3)	Transaction Amounts	Reason for Financing	Allowance for Impairment Loss	Collateral		Financing Limits for Each Borrowing Company (Foreign Currency in Thousands) (Note 1)	Financing Company's Total Financing Amount Limits (Foreign Currency in Thousands) (Note 2)
													Item	Value		
16	EGSTON Far East GmbH	EGSTON System Electronics Eggenburg GmbH	Receivables from related parties	Yes	EUR 2,200	EUR 2,200	$ -	4.547%	b	$ -	For revolving fund	$ -	None	$ -	US$ 3,848	US$ 3,848
17	Maxtop Profits Limited	Pulse Component Ltd.	Receivables from related parties	Yes	US$ 13,500	US$ 12,055	US$ 12,055	-	b	-	For revolving fund	-	None	-	US$ 25,250	US$ 25,250
		Acadia Electronics Co., Ltd.	Receivables from related parties	Yes	US$ 12,000	US$ 9,145	US$ 9,145	-	b	-	For revolving fund	-	None	-	US$ 25,250	US$ 25,250
18	Pulse Finland Oy	Pulse Electronics Korea YH	Receivables from related parties	Yes	EUR 5,000	EUR 5,000	EUR 4,992	0.50%	b	-	For revolving fund	-	None	-	US$ 7,736	US$ 7,736
19	Pulse Electronics Inc.	Pulse Electronics (Singapore) Pte Ltd.	Receivables from related parties	Yes	US$ 35,000	US$ 35,000	US$ 35,000	1.60%	b	-	For revolving fund	-	None	-	US$ 241,175	US$ 241,175
20	Dongguan Chilisin Electronics Co., Ltd.	Mag. Layers International Co., Ltd.	Other receivables - related parties	Yes	RMB 204,750	RMB 204,750	RMB 204,750	3.50%	b	-	For revolving fund	-	None	-	RMB 555,810	RMB 555,810
21	Chilisin Holding (Hong Kong) Limited	Mag. Layers International Co., Ltd.	Other receivables - related parties	Yes	US$ 5,200	US$ 5,200	US$ 5,200	1.10%	b	-	For revolving fund	-	None	-	US$ 112,456	US$ 112,456
22	Bothhand International Investment Co., Ltd.	Chilisin International Ltd.	Other receivables - related parties	Yes	US$ 9,000	-	-	-	b	-	For revolving fund	-	None	-	US$ 55,259	US$ 55,259

Note 1: For the Company and its domestic investees (Kuo-Shin Investment Limited) business relationship, financing limit to each borrowing company is the amount of business operation (based on the previous year's actual sales and purchase amount when the loan contract was awarded). The financing limit to the counterparty which has short-term loan need is 40% of its net worth presented in the latest financial statements audited or reviewed by auditors. According to the financing procedure for Company's overseas investees, maximum financing amount that can be made by Yageo Holding (Bermuda) Ltd., Yageo USA (H.K.) Limited, Yageo (Suzhou) Trade Co., Ltd., Yageo Holding Hungary LLC, Vitrohm Holding GmbH, Yageo Europe Holding B.V., Bestbright Electronics Co., Ltd., Pulse Electronics (Singapore) Pte. Ltd., Pulse Electronics Inc., EGSTON System Electronics Eggenburg GmbH, EGSTON Automotive Eggenburg GmbH, EGSTON Far East GmbH, Maxtop Profits Limited, TOKIN Corporation, KEMET Electronics Corporation, KEMET Electronics (Suzhou) Co., Ltd., Dongguan Chilisin Electronics Co., Ltd., Chilisin Holding (Hong Kong) Limited and Bothhand International Investment Co., Ltd. is 100% of each net worth presented in the latest financial statements audited or reviewed by auditors. For Pulse Finland Oy, the maximum financing amount that can be made is limited to 200% of each net worth presented in the latest financial statements audited or reviewed by auditors. For Pulse Components Ltd., the maximum financing amount that can be made is limited to the transaction amount between the two parties in the past year or expected in the next year.

Note 2: For the Company and its domestic investees (Kuo-Shin Investment Limited) the financing amount to each counterparty is limited to 40% of its net worth presented in the latest financial statements audited or reviewed by auditors. According to the financing procedures for Company's overseas investees, maximum financing amount that can be made by Yageo Holding (Bermuda) Ltd., Yageo USA (H.K.) Limited, Yageo (Suzhou) Trade Co., Ltd., Yageo Holding Hungary LLC, Vitrohm Holding GmbH, Yageo Europe Holding B.V., Bestbright Electronics Co., Ltd., Pulse Electronics (Singapore) Pte. Ltd., Pulse Electronics Inc., EGSTON System Electronics Eggenburg GmbH, EGSTON Automotive Eggenburg GmbH, EGSTON Far East GmbH, Maxtop Profits Limited, TOKIN Corporation, KEMET Electronics Corporation, KEMET Electronics (Suzhou) Co., Dongguan Chilisin Electronics Co., Ltd., Chilisin Holding (Hong Kong) Limited and Bothhand International Investment Co., Ltd. is 100% of each net worth presented in the latest financial statements audited or reviewed by auditors. For Pulse Finland Oy, the maximum financing amount that can be made is 200% of each net worth presented in the latest financial statements audited or reviewed by auditors. For Pulse Components Ltd., the maximum financing amount that can be made is limited to the transaction amount between the two parties in the past year or expected in the next year.

Note 3: Reasons for financing are as follows:

a. Business relationship.

b. For financing. According to Letter No. 0980000271 issued by the FSC on January 15, 2009, which revised article 3 of the operating procedures of the regulation on financing provided and endorsement/guarantee provided, the overseas investees in which the Company has 100% ownership and voting rights directly and indirectly, the financing amount to each counterparty is not subject to the short-term financing limit. However, the limits and the terms for the financing should still be specified by the financing procedures.

Note 4: The currency exchange rates on December 31, 2022 of NTD to HKD, USD, JPY, EUR and RMB were 1:3.9382, 1:30.708, 1:0.233, 1: 32.7317 and 1: 4.4175, respectively; the currency exchange rates of USD to HKD, JPY, EUR, and RMB were 1: 0.1282, 1: 0.0076, 1: 1.0659 and 1: 0.1439, respectively.

Note 5: All intercompany financing loans have been eliminated upon consolidation.

(Concluded)

TABLE 2

YAGEO CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 1)	Maximum Balance for the Period (Foreign Currency in Thousands)	Ending Balance (Foreign Currency in Thousands)	Amount Actually Drawn (Foreign Currency in Thousands)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Note 2)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship										
0	Yageo Corporation	Yageo Holding (Bermuda) Ltd.	Subsidiary	$ 121,344,357	$ 9,721,072 (US$ 284,000 NT$ 1,000,000)	$ 6,650,272 (US$ 184,000 NT$ 1,000,000)	$ -	$ -	5.48%	$ 182,016,536	Yes	No	No
		The shared borrowing facilities of Yageo Electronics (China) Co., Ltd. and Yageo Electronics (Dongguan) Co., Ltd.	Subsidiary	121,344,357	736,992 (US$ 24,000)	736,992 (US$ 24,000)	-	-	0.61%	182,016,536	Yes	No	Yes
		Yageo USA (H.K.) Limited	Subsidiary	121,344,357	61,416 (US$ 2,000)	61,416 (US$ 2,000)	-	-	0.05%	182,016,536	Yes	No	No
		Kuo-Shin Investment Limited	Subsidiary	121,344,357	500,000	500,000	100,000	-	0.41%	182,016,536	Yes	No	No
		Ko-E Component Co., Ltd.	Subsidiary	121,344,357	33,071	-	-	-	-	182,016,536	Yes	No	No
		TOKIN Corporation	Subsidiary	121,344,357	6,407,500 (JPY 27,500,000)	6,407,500 (JPY 27,500,000)	2,074,632 (JPY 8,904,000)	-	5.28%	182,016,536	Yes	No	No
1	TOKIN Corporation	TOKIN Electronics (Thailand) Co., Ltd.	Subsidiary	12,651,331	1,222,221 (JPY 5,245,583)	1,222,221 (JPY 5,245,583)	-	-	8.55%	18,976,997	Yes	No	No
2	KEMET Corporation, The Forest Electric Company	KEMET Electronics Corporation/The Forest Electric Company/KEMET Electronics Marketing Services Singapore	Subsidiary	72,114,022	2,303,100 (US$ 75,000)	1,535,400 (US$ 50,000)	-	-	2.13%	108,071,033	Yes	No	No
3	Chilisin Electronics Corp.	Chilisin International Ltd.	Subsidiary	13,679,988	2,210,976	1,627,524	-	-	5.95%	27,359,976	Yes	No	No
		Chilisin Electronics (Vietnam) Limited company	Subsidiary	13,679,988	2,630,268	2,538,144	98,266	-	9.28%	27,359,976	Yes	No	No
		Ferroxcube Hong Kong Limited	Subsidiary	13,679,988	331,646	331,646	-	-	1.21%	27,359,976	Yes	No	No
		Ferroxcube Polska Sp. Z.o.o.	Subsidiary	13,679,988	61,416	61,416	-	-	0.22%	27,359,976	Yes	No	No
4	Magic Technology Co., Ltd.	Classic Magic Developments Limited (Samoa)	Subsidiary	533,210	218,126	-	-	-	-	1,066,419	Yes	No	No

Note 1: For the Company and its overseas investees, endorsements or guarantees to each counterparty are limited to 100% of its net worth presented in the latest financial statements. For Chilisin Electronics Corp. and Magic Technology Co., Ltd., endorsements or guarantees to each counterparty are limited to 50% of its net worth presented in the latest financial statements.

Note 2: Maximum endorsements/guarantees allowed for the Company and its overseas investees are 150% of its net worth presented in the latest financial statements. Maximum endorsements/guarantees allowed for Chilisin Electronics Corp. and Magic Technology Co., Ltd. are 100% of its net worth presented in the latest financial statements.

Note 3: The endorsements/guarantees were based on the currency exchange rates on December 31, 2022, of NTD to USD and JPY, which were 1:30.708 and 1:0.233, respectively.

TABLE 3

YAGEO CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note)	
Yageo Corporation	Shares							
	Linko International Golf & Country Club	-	Financial assets at FVTPL - non-current	-	$ 482	0.10	$ 482	1
	Fubon Financial Holding Co., Ltd. Preferred Shares C	-	Financial assets at FVTOCI - non-current	5,000	275,500	1.50	275,500	1
	Cathay Financial Holding Co., Ltd. Preferred Shares A	-	Financial assets at FVTOCI - non-current	1,598	90,447	0.19	90,447	1
	Fubon Financial Holding Co., Ltd. Preferred Shares A	-	Financial assets at FVTOCI - non-current	1,586	95,794	0.26	95,794	1
	Bonds							
	Citigroup Global Markets Holdings	-	Financial assets at amortized cost - non-current	-	448,440	-	448,440	2
	HSBC Holdings PLC	-	Financial assets at amortized cost - non-current	-	408,708	-	408,708	2
	Goldman Sachs BDC Inc.	-	Financial assets at amortized cost - non-current	-	402,186	-	402,186	2
	Bnp Paribas	-	Financial assets at amortized cost - non-current	-	287,138	-	287,138	2
	QNBK	-	Financial assets at amortized cost - non-current	-	287,138	-	287,138	2
	TSMC Global Ltd.	-	Financial assets at amortized cost - non-current	-	285,294	-	285,294	2
	Hon Hai Technology Group (Foxconn)	-	Financial assets at amortized cost - non-current	-	118,553	-	118,553	2
	UBS Group	-	Financial assets at amortized cost - non-current	-	114,405	-	114,405	2
	Structured notes							
	Sercomm Corporation credit-linked structured notes	-	Financial assets at FVTPL - non-current	-	100,224	-	100,224	1
	Giant Manufacturing Co., Ltd. credit-linked structured notes	-	Financial assets at FVTPL - non-current	-	30,218	-	30,218	1
Kuo-Shin Investment Limited	Shares							
	Hsin Bung International Co., Ltd.	-	Financial assets at FVTPL - non-current	2,761	33,622	16.59	33,622	1
	Jihsun Securities Investment Trust Co., Ltd.	-	Financial assets at FVTPL - non-current	1,560	12,000	4.00	12,000	1
	Ta-I Technology Co., Ltd.	-	Financial assets at FVTOCI - non-current	-	1	-	1	1
	Yageo Corporation	Parent company	Financial assets at FVTOCI - non-current	802	361,730	0.19	361,730	1, 3
Yageo Holding (Bermuda) Ltd.	Shares							
	Canoo Inc.	-	Financial assets at FVTPL - current	1,000	37,771	0.28	37,771	1
	Bonds							
	Chailease Int`L Finance Corp.	-	Financial assets at amortized cost - non-current	-	822,961	-	822,961	2
	Citigroup Global Markets Holdings Inc.	-	Financial assets at amortized cost - non-current	-	755,426	-	755,426	2
	Formosa Plastics Corporation	-	Financial assets at amortized cost - non-current	-	626,983	-	626,983	2
	Sumitomo Mitsui Trust Bank	-	Financial assets at amortized cost - non-current	-	597,783	-	597,783	2
	Hon Hai Technology Group (Foxconn)	-	Financial assets at amortized cost - non-current	-	471,472	-	471,472	2
	HBC Holdings PLC	-	Financial assets at amortized cost - non-current	-	380,730	-	380,730	2
	Lloyds Banking Group	-	Financial assets at amortized cost - non-current	-	313,137	-	313,137	2

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note)	
	Goldman Sachs Finance Corp International Ltd	-	Financial assets at amortized cost - non-current	-	$ 300,938	-	$ 300,938	2
	Nissan Motor Co., Ltd.	-	Financial assets at amortized cost - non-current	-	300,135	-	300,135	2
	Mitsubishi UFJ Financial Group	-	Financial assets at amortized cost - non-current	-	299,737	-	299,737	2
	Nomura Holdings, Inc.	-	Financial assets at amortized cost - non-current	-	293,414	-	293,414	2
	BNP Paribas	-	Financial assets at amortized cost - non-current	-	287,138	-	287,138	2
	Emirates NBD	-	Financial assets at amortized cost - non-current	-	287,138	-	287,138	2
	TSMC	-	Financial assets at amortized cost - non-current	-	284,049	-	284,049	2
	Barclays PLC	-	Financial assets at amortized cost - non-current	-	227,705	-	227,705	2
	Goldman Sachs BDC Inc.	-	Financial assets at amortized cost - non-current	-	214,824	-	214,824	2
	SOCIETE GENERALE	-	Financial assets at amortized cost - non-current	-	165,501	-	165,501	2
	UBS Group	-	Financial assets at amortized cost - non-current	-	114,455	-	114,455	2
	China Huarong International Holdings	-	Financial assets at amortized cost - non-current	-	92,063	-	92,063	2
	Structured notes							
	Goldman Sachs structured notes	-	Financial assets at FVTPL - non-current	-	592,910	-	592,910	1
	Foreign private fund							
	SMART Growth Fund, L.P.	-	Financial assets at FVTPL - non-current	-	241,378	1.60	241,378	1
	New Epoch Investment Partners Limited	-	Financial assets at FVTPL - non-current	-	121,341	1.92	121,341	1
Yageo Europe Holding B.V.	Bonds							
	Citigroup Global Markets Holdings Inc.	-	Financial assets at amortized cost - non-current	-	460,620	-	460,620	2
	HSBC Holdings PLC	-	Financial assets at amortized cost - non-current	-	433,630	-	433,630	2
	Imperial Brands	-	Financial assets at amortized cost - non-current	-	301,806	-	301,806	2
	Nissan Motor Co., Ltd.	-	Financial assets at amortized cost - non-current	-	289,255	-	289,255	2
	QNBK	-	Financial assets at amortized cost - non-current	-	287,140	-	287,140	2
	ABN Amro Bank N.V.	-	Financial assets at amortized cost - non-current	-	286,916	-	286,916	2
	NatWest Group	-	Financial assets at amortized cost - non-current	-	253,400	-	253,400	2
	Morgan Stanley	-	Financial assets at amortized cost - non-current	-	252,366	-	252,366	2
	Barclays	-	Financial assets at amortized cost - non-current	-	251,236	-	251,236	2
	Goldman Sachs BDC Inc.	-	Financial assets at amortized cost - non-current	-	249,730	-	249,730	2
	Credit Agricole SA	-	Financial assets at amortized cost - non-current	-	162,796	-	162,796	2
	Lloyds Banking Group	-	Financial assets at amortized cost - non-current	-	162,430	-	162,430	2
	DBS Group Holdings Ltd.	-	Financial assets at amortized cost - non-current	-	155,767	-	155,767	2
	Argentum Netherlands BV	-	Financial assets at amortized cost - non-current	-	92,124	-	92,124	2
Ko-E Technology (Shenzhen) Co., Ltd.	Structured deposits							
	China Construction Bank Qianyuan-Hengying Net Value RMB Financial Products	-	Financial assets at FVTPL - current	-	287,040	-	287,040	1
	CCB Wealth Management Tiantianli Financial Products	-	Financial assets at FVTPL - current	-	287,040	-	287,040	1
Yageo Electronics (Dongguan). Co., Ltd.	Structured deposits							
	Bank of China Linked Financial Products	-	Financial assets at FVTPL - current	-	176,635	-	176,635	1
	Fubon Bank (China) structured products	-	Financial assets at FVTPL - current	-	132,476	-	132,476	1
	Bank of Dongguan Yulan Wealth Management Wanlibao cash No.1	-	Financial assets at FVTPL - current	-	71,979	-	71,979	1
	Fubon Bank (China) structured products	-	Financial assets at FVTPL - current	-	88,317	-	88,317	1

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note)	
Yageo Electronics (China) Co.,	Structured deposits							
	China CITIC Bank RMB structured deposit pegged to exchange rate	-	Financial assets at FVTPL - current	-	$ 220,793	-	$ 220,793	1
Yageo (Suzhou) Trade Co., Ltd.	Structured deposits							
	China Everbright Bank structured products No.2	-	Financial assets at FVTPL - current	-	441,587	-	441,587	1
	China Everbright Bank structured products No.12	-	Financial assets at FVTPL - current	-	441,587	-	441,587	1
Bestbright Electronics Co., Ltd.	Structured deposits							
	Fubon Bank (China) RMB interest rate structured products (monthly distribution)	-	Financial assets at FVTPL - current	-	220,875	-	220,875	1
Kemet Electronics Corporation	Bonds							
	Citigroup Global Markets Holdings Inc.	-	Financial assets at amortized cost - non-current	-	307,080	-	307,080	2
TOKIN Corporation	Shares							
	Sanshin Electronics Co., Ltd.	-	Financial assets at FVTPL - non-current	50	27,974	0.31	27,974	1
	Ryosan Co Ltd.	-	Financial assets at FVTPL - non-current	32	21,096	0.13	21,096	1
	The 77 Bank Ltd.	-	Financial assets at FVTPL - non-current	30	15,576	0.04	15,576	1
	Hagiwara Electric Holdings Co Ltd.	-	Financial assets at FVTPL - non-current	10	5,711	0.11	5,711	1
	SK Tech Co., Ltd.	-	Financial assets at FVTPL - non-current	13	630	5.95	630	1
	Nyuzen Machidukuri Kahihatsu	-	Financial assets at FVTPL - non-current	-	23	1.00	23	1
	Tohoku Magnet Institute	-	Financial assets at FVTPL - non-current	57	-	2.37	-	1
	Aiwa Seimitsu	-	Financial assets at FVTPL - non-current	2	-	5.00	-	1
	Neo Photonics Corporation	-	Financial assets at FVTPL - non-current	1	-	-	-	1
	Sendai Port Trade Promotion Center	-	Financial assets at FVTPL - non-current	-	-	0.23	-	1
Pulse Electronics Corporation	Bonds							
	Chailease Int'L Finance Corp.	-	Financial assets at amortized cost - non-current	-	108,537	-	108,537	2
Chilisin Electronics Corp.	Shares							
	Fubon Financial Holding Co., Ltd. Preferred Shares C	-	Financial assets at FVTOCI - non-current	2,333	128,548	0.70	128,548	1
	Fubon Financial Holding Co., Ltd. Preferred Shares A	-	Financial assets at FVTOCI - non-current	2,195	132,578	0.37	132,578	1
	Fubon Financial Holding Co., Ltd. Preferred Shares B	-	Financial assets at FVTOCI - non-current	1,106	63,595	0.17	63,595	1
	Cathay Financial Holding Co., Ltd. Preferred Shares A	-	Financial assets at FVTOCI - non-current	434	24,565	0.05	24,565	1
	Structured notes							
	Elite Material Co., Ltd. credit-linked structured notes	-	Financial assets at FVTPL - non-current	-	50,000	-	50,000	1
	Merry Electronics Co., Ltd. credit-linked structured notes	-	Financial assets at FVTPL - non-current	-	35,000	-	35,000	1
Chilisin International Ltd.	Bonds							
	Chailease Int'L Finance Corp.	-	Financial assets at amortized cost - non-current	-	436,640	-	436,640	2
	HSBC Holdings PLC	-	Financial assets at amortized cost - non-current	-	95,732	-	95,732	2
	Formosa Plastics Corporation	-	Financial assets at amortized cost - non-current	-	90,550	-	90,550	2
	The Shanghai Commercial & Savings Bank, Ltd.	-	Financial assets at amortized cost - non-current	-	40,304	-	40,304	2

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note)	
Hunan Chilisin Electronics Technology Co., Ltd.	Structured deposits Fubon Bank (China) RMB interest rate structured products (monthly distribution)	-	Financial assets at FVTPL - current	-	$ 88,732	-	$ 88,732	1
Dongguan Chilisin Electronics Co., Ltd.	Structured deposits Fubon Bank (China) RMB interest rate structured products (monthly distribution)	-	Financial assets at FVTPL - current	-	441,037	-	441,037	1
Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	Structured deposits Fubon Bank (China) RMB interest rate structured products (monthly distribution)	-	Financial assets at FVTPL - current	-	368,622	-	368,622	1
Magic Technology Co., Ltd.	Shares Tecstar Technology Co., Ltd.	-	Financial assets at FVTOCI - non-current	136	1,111	0.60	1,111	1
Magic Electronic Technology (Shenzhen) Co., Ltd.	Structured deposits Shanghai Pudong Development Bank structured products	-	Financial assets at FVTPL - current	-	66,263	-	66,263	1
Magic Trade (Shenzhen) Co., Ltd.	Structured deposits Shanghai Pudong Development Bank structured products	-	Financial assets at FVTPL - current	-	22,088	-	22,088	1
Magic Electronic Technology (Chongqing) Co., Ltd.	Structured deposits Fubon Bank (China) RMB interest rate structured products	-	Financial assets at FVTPL - current	-	39,758	-	39,758	1
Guangzhou Bothhand Electronics	Structured deposits Industrial and Commercial Bank of China Tianlibao Net Value Financial Products	-	Financial assets at FVTPL - current	-	52	-	52	1
Deyang Bothhand Electronics Co., Ltd.	Structured deposits Industrial and Commercial Bank of China Tianlibao No.2 Net Value Financial Products	-	Financial assets at FVTPL - current	-	136,347	-	136,347	1
	Bank of China Wealth Management Enjoy Everyday	-	Financial assets at FVTPL - current	-	44,189	-	44,189	1
	Industrial and Commercial Bank of China Tianlibao Net Value Financial Products	-	Financial assets at FVTPL - current	-	26,513	-	26,513	1
Guangzhou Chenghan Electronic Technology Co., Ltd.	Structured deposits Bank of China Accumulation Plan - Daily	-	Financial assets at FVTPL - current	-	151,890	-	151,890	1
Deyang Hongyi Electronics Co., Ltd.	Structured deposits Bank of China Accumulation Plan - Daily	-	Financial assets at FVTPL - current	-	103,734	-	103,734	1
	Bank of China Wealth Management Enjoy Everyday	-	Financial assets at FVTPL - current	-	35,603	-	35,603	1
Deyang Shisheng Electronics Co., Ltd.	Structured deposits Bank of China Accumulation Plan - Daily	-	Financial assets at FVTPL - current	-	5	-	5	1
	Bank of China Wealth Management Enjoy Everyday	-	Financial assets at FVTPL - current	-	2	-	2	1

(Continued)

Note 1: The listed ordinary shares and preference shares were valued by their closing prices as of December 31, 2022. The unlisted ordinary shares were determined using the discounted cash flow method. The debt investments with no active market were valued using the evaluated information provided by the Company. The foreign private funds were valued using the asset-based approach. The structured notes and deposits were valued using the valuation technique, the quoted market price of its competitors and the future cash flows.

Note 2: The carrying amount is calculated at amortized cost.

Note 3: The Company's ordinary shares held by subsidiaries are treated as treasury shares.

(Concluded)

YAGEO CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance (Note 3)	
					Shares/Units	Amount (Foreign Currency in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currency in Thousands)	Shares/Units	Amount (Foreign Currency in Thousands)	Carrying Value (Foreign Currency in Thousands)	Gain/Loss on Disposal	Shares/Units (In Thousands)	Amount (Foreign Currency in Thousands)
Yageo Corporation	Chilisin Electronics Corp. (Note 2)	Investments accounted for using the equity method	-	-	25,276,032	$ 2,814,990	238,657,905	$ 20,235,500	-	$ -	$ -	$ -	316,720,724	$ 27,359,975
Yageo Holding (Bermuda) Ltd.	Goldman Sachs structured notes	Financial assets at FVTPL - non-current	Goldman Sachs Finance Corp International Ltd.	-	-	-	-	US$ 20,000	-	-	-	-	-	US$ 19,308
	Bonds - Formosa Plastics Corporation	Financial assets at amortized cost - non-current	KGI Securities Co., Ltd.	-	-	-	-	US$ 20,581	-	-	-	-	-	US$ 20,418
Shenzhen Chilisin Electronics Co., Ltd.	Industrial and Commercial Bank of China Tianlibao Net Value Financial Products	Financial assets at FVTPL - current	Industrial and Commercial Bank of China	-	-	RMB 20,000	-	RMB 25,000	-	RMB 45,028	RMB 45,000	RMB 28	-	-
Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	Fubon Bank (China) RMB interest rate structured products (monthly distribution)	Financial assets at FVTPL - current	Fubon Bank (China)	-	-	RMB 76,786	-	RMB 253,660	-	RMB 249,684	RMB 247,000	RMB 2,684	-	RMB 83,446
Dongguan Chilisin Electronics Co., Ltd.	Fubon Bank (China) RMB interest rate structured products (monthly distribution)	Financial assets at FVTPL - current	Fubon Bank (China)	-	-	RMB 77,183	-	RMB 345,356	-	RMB 325,823	RMB 322,700	RMB 3,123	-	RMB 99,839
Hunan Chilisin Electronics Technology Co., Ltd.	Fubon Bank (China) RMB interest rate structured products (monthly distribution)	Financial assets at FVTPL - current	Fubon Bank (China)	-	-	-	-	RMB 98,000	-	RMB 78,631	RMB 78,000	RMB 631	-	RMB 20,086
	Agricultural Bank of China ABC Ingenuity·Tiantianli	Financial assets at FVTPL - current	Agricultural Bank of China	-	-	-	-	RMB 89,000	-	RMB 89,476	RMB 89,000	RMB 476	-	-

Note 1: The marketable securities mentioned in this table refer to shares, bonds, beneficiary certificates, and securities derived from the above items.

Note 2: The Company acquired 100% of the interest of Chilisin Electronics Corp. in a share exchange agreement on January 5, 2022. The aforementioned share exchange transaction was an organizational restructuring under common control and regarded as a combination from the beginning.

Note 3: The ending balance include investment income or loss for using the equity method and related adjustment items.

TABLE 5

YAGEO CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE PROPERTIES AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Types of Property	Transaction Date	Transaction Amount	Payment Term	Counterparty	Nature of Relationships	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
Yageo Corporation	Plant Construction	October 26, 2022	$ 1,632,750	Based on the terms in the purchase order	ACTER GROUP CORPORATION LIMITED	Non-related parties	-	-	-	$ -	Price comparison and price negotiation	Manufacturing purpose	-

YAGEO CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Related Party	Nature of Relationships	Transaction Details (Note)				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount (Foreign Currency in Thousands)	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Foreign Currency in Thousands)	% to Total	
Yageo Corporation	Yageo Corporation (South Asia)	Subsidiary	Sale	$ (1,379,729)	(5)	T/T 90 days	$ -	-	$ 77,547	3	-
	Yageo Europe Holding B.V.	Subsidiary	Sale	(1,891,649)	(7)	Offset account T/T 45 days	-	-	133,087	4	-
	Yageo USA (H.K.) Limited	Subsidiary	Sale	(13,967,246)	(51)	Offset account T/T 90 days	-	-	-	-	-
	Yageo Electronics (China) Co., Ltd.	Subsidiary	Sale	(1,305,167)	(5)	T/T 90 days	-	-	229,046	8	-
			Purchase	8,579,905	39	T/T 90 days	-	-	(989,922)	(18)	-
	Yageo Electronics (Dongguan) Co., Ltd.	Subsidiary	Sale	(2,786,571)	(10)	Offset account T/T 90 days	-	-	-	-	-
			Purchase	7,050,162	32	Offset account T/T 90 days	-	-	(1,449,415)	(26)	-
	Ko-E Electronics Trade Co., Ltd.	Subsidiary	Sale	(356,702)	(1)	T/T 90 days	-	-	62,792	2	-
	Yageo Components (Suzhou) Co., Ltd.	Subsidiary	Purchase	146,903	1	T/T 90 days	-	-	(41,143)	(1)	-
	Ko-E (H.K.) Limited	Subsidiary	Sale	(355,628)	(1)	T/T 90 days	-	-	64,988	2	-
	KEMET Electronics Corporation	Subsidiary	Sale	(768,720)	(3)	T/T 90 days	-	-	488,672	16	-
Yageo Electronics (China) Co., Ltd.	Ko-E (H.K.) Limited	Associate	Sale	RMB (292,496)	(11)	T/T 90 days	-	-	RMB 17,157	2	-
	Yageo Europe Holding B.V.	Associate	Sale	RMB (202,608)	(7)	T/T 90 days	-	-	RMB 33,970	5	-
Yageo USA (H.K.) Limited	Yageo Electronics (Dongguan) Co., Ltd.	Associate	Sale	US$ (82,230)	(17)	T/T 90 days	-	-	US$ 40,219	23	-
	Yageo (Suzhou) Trade Co., Ltd.	Associate	Sale	US$ (137,922)	(29)	T/T 90 days	-	-	US$ 76,325	44	-
	Ko-E (H.K.) Limited	Associate	Sale	US$ (88,450)	(19)	T/T 90 days	-	-	US$ 18,941	11	-
Yageo (Suzhou) Trade Co., Ltd.	Ko-E Technology (Shenzhen) Co., Ltd.	Associate	Sale	RMB (638,326)	(61)	T/T 65 days	-	-	RMB 389,028	77	-
Bestbright Electronics Co., Ltd.	Ko-E Technology (Shenzhen) Co., Ltd.	Associate	Sale	RMB (308,721)	(79)	T/T 30-60 days	-	-	RMB 75,229	76	-
Dongguan Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	Sale	US$ (73,661)	(11)	T/T 90 days	-	-	US$ 51,461	40	-
	Pulse Electronics GmbH	Associate	Sale	US$ (4,845)	(1)	T/T 90 days	-	-	US$ 20,850	16	-
Mian Yang Pulse Electronics Co., Ltd.	Pulse Electronics Inc.	Parent company	Sale	US$ (9,551)	(1)	T/T 90 days	-	-	US$ 6,847	5	-
	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	Sale	US$ (59,568)	(9)	T/T 90 days	-	-	US$ 7,128	6	-
Pulse (Suzhou) Wireless Products Co., Ltd.	Pulse Electronics Inc.	Parent company	Sale	US$ (9,310)	(1)	T/T 90 days	-	-	US$ 2,225	2	-
	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	Sale	US$ (22,359)	(3)	T/T 90 days	-	-	US$ (1,251)	(1)	-
Suining Pulse Electronics Co., Ltd.	Pulse Electronics Inc.	Parent company	Sale	US$ (5,333)	(1)	T/T 90 days	-	-	US$ 691	1	-
	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	Sale	US$ (49,298)	(7)	T/T 90 days	-	-	US$ 10,689	8	-
Pulse Components. Ltd.	Pulse Electronics Inc.	Parent company	Sale	US$ (10,792)	(2)	T/T 90 days	-	-	US$ 2,330	2	-
	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	Sale	US$ (32,538)	(5)	T/T 90 days	-	-	US$ 19,023	15	-
EGSTON System Electronics Eggenburg GmbH	EGSTON Automotive Eggenburg GmbH	Associate	Sale	US$ (4,705)	(1)	T/T 30 days	-	-	US$ 7,955	6	-
	EGSTON System Electronic spol.s.r.o.	Associate	Sale	US$ (3,457)	(1)	T/T 30 days	-	-	US$ 6,803	5	-
EGSTON System Electronic spol.s.r.o.	EGSTON System Electronics Eggenburg GmbH	Associate	Sale	US$ (52,677)	(8)	T/T 30 days	-	-	US$ 154	-	-
	EGSTON Automotive Eggenburg GmbH	Associate	Sale	US$ (49,881)	(7)	T/T 30 days	-	-	US$ 4,959	4	-
EGSTON Electronics Zhuhai Ltd.	EGSTON Far East GmbH	Associate	Sale	US$ (12,277)	(2)	T/T 30 days	-	-	US$ 3,807	3	-

(Continued)

Company Name	Related Party	Nature of Relationships	Transaction Details (Note)				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount (Foreign Currency in Thousands)	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Foreign Currency in Thousands)	% to Total	
Pulse System Electronics (India) Pte. Ltd	EGSTON System Electronic spol.s.r.o.	Associate	Sale	US$ (3,819)	(1)	T/T 30 days	$ -	-	US$ 953	1	-
	EGSTON Far East GmbH	Associate	Sale	US$ (3,891)	(1)	T/T 30 days	-	-	US$ 1,079	1	-
P.T. KEMET Electronics Indonesia	KEMET Electronics Corporation	Parent company	Sale	US$ (4,585)	(1)	Net 60 days	-	-	US$ 4,511	4	-
Shanghai Arcotronics Components & Machineries Co., Ltd.	KEMET Electronics Corporation	Parent company	Sale	US$ (11,482)	(2)	Net 60 days	-	-	US$ (1,386)	(1)	-
	KEMET Electronics (Suzhou) Co., Ltd.	Associate	Sale	US$ (5,229)	(1)	Net 60 days	-	-	US$ 407	-	-
KEMET Electronics Bulgaria EAD	KEMET Electronics Corporation	Parent company	Sale	US$ (7,388)	(1)	Net 60 days	-	-	US$ 571	-	-
KEMET Electronics Italia S.r.l.	KEMET Electronics Corporation	Parent company	Sale	US$ (4,318)	(1)	Net 60 days	-	-	US$ 9,974	9	-
KEMET Electronics Portugal, S.A.	KEMET Electronics Corporation	Parent company	Sale	US$ (14,411)	(2)	Net 60 days	-	-	US$ 8,814	8	-
TOKIN Corporation	KEMET Electronics Corporation	Parent company	Sale	US$ (17,389)	(3)	Net 60 days	-	-	US$ 32,842	31	-
	TOKIN Hong Kong Ltd.	Subsidiary	Sale	US$ (199,257)	(94)	T/T 90 days	-	-	US$ 25,258	75	-
	TOKIN Singapore Pte Ltd.	Subsidiary	Sale	US$ (27,105)	(94)	T/T 30 days	-	-	US$ 2,703	11	-
	TOKIN Electronics (Xiamen) Corporation	Subsidiary	Sale	US$ (6,346)	(13)	Net 60 days	-	-	US$ 1,421	3	-
KEMET Electronics (Suzhou) Co., Ltd.	KEMET Electronics Corporation	Parent company	Sale	US$ (35,023)	(6)	Net 60 days	-	-	US$ 25,208	23	-
KEMET Electronics Corporation	KEMET Electronics Marketing (S) Pte Ltd.	Subsidiary	Sale	US$ (95,085)	(15)	Net 60 days	-	-	US$ 44,235	41	-
	KEMET Electronics (Suzhou) Co., Ltd.	Subsidiary	Sale	US$ (14,849)	(2)	Net 60 days	-	-	US$ (25,208)	(23)	-
	TOKIN Electronics (Thailand) Co., Ltd.	Subsidiary	Sale	US$ (5,744)	(1)	Net 60 days	-	-	US$ 1,992	2	-
TOKIN Electronics (Xiamen) Corporation	TOKIN Corporation	Parent company	Sale	US$ (41,685)	(83)	Net 80 days	-	-	US$ 8,277	20	-
	TOKIN Electronics (Vietnam) Co., Ltd.	Associate	Sale	US$ (8,297)	(17)	T/T 50 days	-	-	US$ 1,252	3	-
TOKIN Electronics (Vietnam) Co., Ltd.	TOKIN Corporation	Parent company	Sale	US$ (85,670)	(99)	Net 50 days	-	-	US$ 13,584	35	-
TOKIN Electronics (Thailand) Co., Ltd.	TOKIN Corporation	Parent company	Sale	US$ (124,128)	(100)	T/T 140 days	-	-	US$ 23,380	14	-
KEMET Electronics Macedonia DOOEL Skopje	KEMET Electronics Corporation	Parent company	Sale	US$ (6,225)	(1)	Net 60 days	-	-	US$ 377	4	-
Chilisin Electronics Corp.	Pulse Electronics (Singapore)	Associate	Sale	(617,601)	(12)	T/T 120 days	-	-	582,304	26	-
	Chilisin Electronics (Vietnam) Limited company	Subsidiary	Sale	(281,966)	(5)	T/T 120 days	-	-	283,374	12	-
Hunan Chilisin Electronics Technology Co., Ltd.	Chilisin International Ltd.	Parent company	Sale	RMB (76,785)	(16)	T/T 120 days	-	-	RMB 30,903	13	-
	Chilisin Electronics Corp.	Parent company	Sale	RMB (151,160)	(32)	T/T 120 days	-	-	RMB 97,655	41	-
	Dongguan Chilisin Electronics Co., Ltd.	Associate	Sale	RMB (95,259)	(20)	T/T 120 days	-	-	RMB 26,686	11	-
	Mag. Layers International Co., Ltd.	Associate	Sale	RMB (114,959)	(24)	T/T 120 days	-	-	RMB 61,036	26	-
	Shenzhen Chilisin Electronics Co., Ltd.	Associate	Sale	RMB (24,240)	(5)	T/T 120 days	-	-	RMB 9,912	4	-
Shenzhen Chilisin Electronics Co., Ltd.	Mag. Layers International Co., Ltd.	Associate	Sale	RMB (60,445)	(23)	T/T 120 days	-	-	RMB 36,184	34	-
Dongguan Chilisin Electronics Co., Ltd.	Chilisin International Ltd.	Parent company	Sale	RMB (148,489)	(28)	T/T 120 days	-	-	RMB 50,758	12	-
	Chilisin Electronics Corp.	Parent company	Sale	RMB (302,846)	(58)	T/T 120 days	-	-	RMB 130,039	30	-
Chilisin Electronics (Vietnam) Limited Company	Chilisin International Ltd.	Associate	Sale	US$ (9,241)	(16)	T/T 120 days	-	-	US$ 1,532	8	-
	Chilisin Electronics Corp.	Parent company	Sale	US$ (16,949)	(29)	T/T 120 days	-	-	US$ 7,725	42	-
	Dongguan Chilisin Electronics Co., Ltd.	Associate	Sale	US$ (13,531)	(23)	T/T 120 days	-	-	US$ 2,163	12	-
	Shenzhen Chilisin Electronics Co., Ltd.	Associate	Sale	US$ (16,019)	(28)	T/T 120 days	-	-	US$ 5,501	30	-

(Continued)

Company Name	Related Party	Nature of Relationships	Transaction Details (Note)				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount (Foreign Currency in Thousands)	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Foreign Currency in Thousands)	% to Total	
Deyang Bothhand Electronics Co., Ltd.	Bothhand Enterprise Inc.	Parent company	Sale	RMB (261,522)	(65)	The actual payment depends on the location of its working capital.	$ -	-	RMB 82,521	21	-
	Mianyang Pulse Electronics Co., Ltd.	Associate	Sale	RMB (302,846)	(63)	The actual payment depends on the location of its working capital.	-	-	RMB 108,135	26	-
Bothhand Enterprise Inc.	Mianyang Pulse Electronics Co., Ltd.	Associate	Sale	(154,549)	(11)	The actual payment depends on the location of its working capital.	-	-	119,733	57	-
Deyang Hongyi Electronics Co., Ltd.	Deyang Bothhand Electronics Co., Ltd.	Parent company	Sale	RMB (46,324)	(93)	The actual payment depends on the location of its working capital.	-	-	RMB 13,819	90	-
Magic Electronic Technology (Chongqing) Co., Ltd.	Magic Technology Co., Ltd.	Parent company	Sale	RMB (74,008)	(63)	The actual payment depends on the location of its working capital.	-	-	RMB 69,177	63	-
	Classic Magic Developments Limited	Associate	Sale	RMB (302,846)	(26)	The actual payment depends on the location of its working capital.	-	-	RMB 8,508	8	-
Mag. Layers Scientific-Technics Co., Ltd.	MAG.LAYERS U.S.A.INC	Subsidiary	Sale	(204,414)	(7)	The actual payment depends on the location of its working capital.	-	-	75,561	7	-
Mag. Layers International Co., Ltd.	Mag. Layers Scientific-Technics Co., Ltd.	Parent company	Sale	RMB (341,399)	(63)	The actual payment depends on the location of its working capital.	-	-	RMB 139,338	41	-
	Suining Pulse Electronics Co., Ltd.	Associate	Sale	RMB (113,091)	(21)	The actual payment depends on the location of its working capital.	-	-	RMB 45,536	13	-
	Dongguan Chilisin Electronics Co., Ltd.	Associate	Sale	RMB (28,667)	(5)	The actual payment depends on the location of its working capital.	-	-	RMB 14,335	4	-
Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	Hunan Chilisin Electronics Technology Co., Ltd.	Associate	Sale	RMB (43,710)	(43)	The actual payment depends on the location of its working capital.	-	-	RMB 24,757	53	-
	Mag. Layers International Co., Ltd.	Parent company	Sale	RMB (22,726)	(22)	60 days	-	-	RMB 12,516	27	-
Ferroxcube Polska Sp. Z.o.o.	Ferroxcube International Holding B.V.	Parent company	Sale	EUR (17,101)	(19)	60 days	-	-	EUR 972	6	-
	Ferroxcube Electronics (Dongguan) Limited	Associate	Sale	EUR (6,047)	(7)	60 days	-	-	EUR 1,984	12	-
Ferroxcube Hong Kong Limited	Ferroxcube Electronics (Dongguan) Limited	Subsidiary	Sale	HK$ (11,225)	(13)	60 days	-	-	-	-	-
Ferroxcube Electronics (Dongguan) Limited	Ferroxcube Polska Sp. Z.o.o.	Associate	Sale	RMB (6,047)	(7)	60 days	-	-	RMB 1,984	12	-
	Ferroxcube Hong Kong Limited	Parent company	Sale	RMB (11,224)	(13)	60 days	-	-	RMB 2,810	17	-

Note: All intercompany transactions have been eliminated on consolidation.

(Concluded)

TABLE 7

YAGEO CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Related Party	Nature of Relationships	Ending Balance (Foreign Currency in Thousands)	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Foreign Currency in Thousands)	Allowance for Impairment Loss
					Amount	Action Taken		
Yageo Corporation	Yageo Electronics (China) Co., Ltd.	Subsidiary	$ 229,046 (Note 5)	-	$ -	-	$ -	$ -
	KEMET Electronics Corporation	Subsidiary	488,672 (Note 5)	0.01	-	-	123,822	-
	Yageo Europe Holding B.V.	Subsidiary	133,087 (Note 5)	0.01	-	-	133,087	-
Yageo Holding (Bermuda) Ltd.	Yageo Europe Holding B.V.	Associate	US$ 172,956 (Note 1)	-	-	-	-	-
	Yageo USA (H.K.) Limited	Associate	US$ 218,182 (Note 3)	-	-	-	-	-
	Yageo Corporation	Ultimate parent company	US$ 300,000 (Note 3)	-	-	-	-	-
Yageo USA (H.K.) Limited	Ko-E (H.K.) Limited	Associate	US$ 18,942 (Note 5)	-	-	-	US$ 5,252	-
	Yageo (Suzhou) Trade Co., Ltd.	Associate	US$ 76,325	2.39	-	-	US$ 30,000	-
	Yageo Corporation	Ultimate parent company	US$ 48,210 (Note 5)	-	-	-	-	-
	Yageo Electronics (Dongguan) Co., Ltd.	Associate	US$ 40,219	1.30	-	-	US$ 22,700	-
Yageo Electronics (China) Co., Ltd.	Pulse (Suzhou) Wireless Products Co., Ltd.	Associate	RMB 124,525	-	-	-	RMB 4,108	-
	Yageo Europe Holding B.V.	Associate	RMB 33,970	-	-	-	RMB 26,477	-
	Yageo Corporation	Ultimate parent company	RMB 224,091	1.15	-	-	RMB 184,626	-
Yageo Electronics (Dongguan) Co., Ltd.	Yageo Corporation	Ultimate parent company	RMB 328,108	1.95	-	-	RMB 328,618	-
Yageo (Suzhou) Trade Co., Ltd.	Ko-E Technology (Shenzhen) Co., Ltd.	Associate	RMB 389,028	2.33	-	-	RMB 243,903	-
Kuo-Shin Investment Limited	Ko-E Component Co., Ltd.	Associate	115,000 (Note 3)	-	-	-	-	-
Vitrohm Holding GmbH	Yageo Holding (Bermuda) Ltd.	Parent company	EUR 6,568 (Note 2)	-	-	-	-	-

(Continued)

Company Name	Related Party	Nature of Relationships	Ending Balance (Foreign Currency in Thousands)	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Foreign Currency in Thousands)	Allowance for Impairment Loss
					Amount	Action Taken		
Yageo Europe Holding B.V.	Yageo USA (H.K.) Limited	Associate	US$ 52,000 (Note 3)	-	$ -	-	$ -	$ -
Bestbright Electronics Co., Ltd.	Ko-E Technology (Shenzhen) Co., Ltd.	Associate	RMB 75,230	7.04	-	-	RMB 49,232	-
Dongguan Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	US$ 51,461	0.69	-	-	US$ 10,496	-
	Pulse Electronics GmbH	Associate	US$ 20,850	0.12	-	-	-	-
Mianyang Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	US$ 7,128	2.33	-	-	US$ 5,249	-
	Pulse Electronics Inc.	Parent company	US$ 6,847	0.62	-	-	US$ 6,008	-
Pulse (Suzhou) Wireless Products Co., Ltd.	Pulse Electronics Korea Y	Associate	US$ 5,140	-	-	-	-	-
Suining Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	US$ 10,690	3.32	-	-	US$ 8,608	-
Pulse Components. Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	US$ 19,023 (Note 2)	-	-	-	US$ 6,012	-
Pulse Electronics (Singapore) Pte. Ltd.	Yageo Corporation	Ultimate parent company	US$ 100,000 (Note 3)	-	-	-	-	-
	Pulse System Electronics (India) Pte. Ltd	Subsidiary	US$ 5,600 (Note 3)	-	-	-	-	-
Maxtop Profits Limited	Pulse Components. Ltd	Associate	US$ 13,500 (Note 3)	-	-	-	-	-
	Acadia Electronics Co., Ltd	Associate	US$ 12,000 (Note 3)	-	-	-	-	-
Pulse Finland Oy	Pulse Electronics Korea YH	Subsidiary	EUR 5,000 (Note 3)	-	-	-	-	-
Pulse Electronics Inc.	Pulse Electronics (Singapore) Pte. Ltd.	Subsidiary	US$ 35,000 (Note 3)	-	-	-	-	-
EGSTON System Electronics Eggenburg GmbH	EGSTON System Electronic spol.s.r.o.	Associate	US$ 6,804 (Note 2)	-	-	-	-	-
	EGSTON Automotive Eggenburg GmbH	Associate	US$ 7,925	0.37	-	-	-	-
EGSTON System Electronic spol.s.r.o.	EGSTON Automotive Eggenburg GmbH	Associate	US$ 4,960	7.49	-	-	-	-
EGSTON Electronics Zhuhai Ltd.	EGSTON Far East GmbH	Associate	US$ 3,807	2.30	-	-	-	-
Evox Rifa Pte Ltd.	KEMET Electronics Marketing (S) Pte Ltd.	Associate	US$ 6,635 (Note 5)	-	-	-	-	-

(Continued)

Company Name	Related Party	Nature of Relationships	Ending Balance (Foreign Currency in Thousands)	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Foreign Currency in Thousands)	Allowance for Impairment Loss
					Amount	Action Taken		
KEMET de Mexico, S.A. de C.V.	KEMET Electronics Corporation	Parent company	US$ 16,510 (Note 5)	-	$ -	-	US$ 8,282	$ -
KEMET Electronics AB	KEMET Electronics Corporation	Parent company	US$ 6,334 (Note 5)	-	-	-	US$ 161	-
KEMET Electronics Corporation	KEMET Electronics Italia SRL	Subsidiary	US$ 9,974 (Note 2)	-	-	-	-	-
	KEMET Electronics Marketing (S) Pte Ltd.	Subsidiary	US$ 44,235 (Note 5)	-	-	-	US$ 65,792	-
KEMET Electronics GmbH	KEMET Electronics Corporation	Parent company	US$ 27,211 (Note 5)	-	-	-	US$ 867	-
P.T. KEMET Electronics Indonesia	KEMET Electronics Corporation	Parent company	US$ 4,511 (Note 5)	-	-	-	US$ 2,140	-
KEMET Electronics Italia S.r.l.	KEMET Electronics Macedonia DOOEL Skopje	Associate	US$ 3,119	-	-	-	-	-
KEMET Electronics (Suzhou) Co., Ltd.	KEMET Electronics Corporation	Parent company	US$ 25,208	-	-	-	US$ 20,000	-
KEMET Electronics Portugal, S.A.	KEMET Electronics Corporation	Parent company	US$ 8,814	-	-	-	US$ 8,814	-
KEMET Electronics Limited	KEMET Electronics Corporation	Parent company	US$ 11,098	-	-	-	-	-
TOKIN Corporation	TOKIN Hong Kong Ltd.	Subsidiary	US$ 25,258	6.71	-	-	US$ 23,452	-
	TOKIN Singapore Pte Ltd.	Subsidiary	US$ 2,703	10.92	-	-	-	-
	KEMET Corporation	Parent company	US$ 32,842 (Note 2)	-	-	-	US$ 13,159	-
	KEMET Electronics (Suzhou) Co., Ltd.	Associate	US$ 4,501	-	-	-	US$ 1,872	-
TOKIN Electronics (Xiamen) Corporation	TOKIN Corporation	Parent company	US$ 8,277	4.13	-	-	US$ 6,321	-
TOKIN Electronics (Thailand) Co., Ltd.	TOKIN Corporation	Parent company	US$ 23,380	3.23	-	-	US$ 15,668	-
TOKIN Electronics (Vietnam) Co., Ltd.	TOKIN Corporation	Parent company	US$ 13,584	7.13	-	-	US$ 11,423	-
Chilisin Electronics Corp.	Pulse Electronics (Singapore)	Associate	525,112	1.94	-	-	-	-
Chilisin International Ltd.	Chilisin Electronics Corp.	Parent company	US$ 48,786	-	-	-	-	-
	Dongguan Chilisin Electronics Co., Ltd.	Subsidiary	US$ 17,094 (Note 5)	-	-	-	-	-
Chilisin Electronics (Vietnam) Limited company	Shenzhen Chilisin Electronics Co., Ltd.	Associate	US$ 5,475	5.85	-	-	-	-

(Continued)

Company Name	Related Party	Nature of Relationships	Ending Balance (Foreign Currency in Thousands)	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Foreign Currency in Thousands)	Allowance for Impairment Loss
					Amount	Action Taken		
Hunan Chilisin Electronics Technology Co., Ltd.	Chilisin International Ltd.	Parent company	RMB 30,903	1.14	$ -	-	RMB 12,903	$ -
	Chilisin Electronics Corp.	Parent company	RMB 96,701	3.12	-	-	RMB 18,707	-
	Mag. Layers International Co., Ltd.	Associate	RMB 59,746 (Note 5)	2.83	-	-	RMB 21,603	-
Shenzhen Chilisin Electronics Co., Ltd.	Mag. Layers International Co., Ltd.	Associate	RMB 32,903	3.67	-	-	RMB 20,504	-
Dongguan Chilisin Electronics Co., Ltd.	Chilisin Electronics Corp.	Parent company	RMB 127,839	4.74	-	-	RMB 44,611	-
	Mag. Layers International Co., Ltd.	Associate	RMB 200,511 (Note 5)	0.10	-	-	RMB 6,008	-
Deyang Bothhand Electronics Co., Ltd.	Mian Yang Pulse Electronics Co., Ltd.	Associate	RMB 24,471	-	-	-	RMB 17,193	-
Mag. Layers International Co., Ltd.	Mag. Layers Scientific-Technics Co., Ltd.	Parent company	RMB 137,839	0.03	-	-	RMB 34,060	-
	Suining Pulse Electronics Co., Ltd.	Associate	RMB 45,152	5.01	-	-	RMB 22,892	-
	Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	Subsidiary	RMB 97,094 (Note 5)	0.01	-	-	RMB 15	-
Magic Electronic Technology (Chongqing) Co., Ltd.	Magic Technology Co., Ltd.	Parent company	RMB 68,737	2.15	-	-	-	-
Ferroxcube Electronics (Dongguan) Limited	Ferroxcube Hong Kong Limited	Parent company	RMB 23,273	0.20	-	-	RMB 7,249	-

Note 1: Loans to subsidiaries were considered a component of investment.

Note 2: Including financing and other receivables.

Note 3: Considered financing.

Note 4: Considered other receivables.

Note 5: Including other receivables.

Note 6: All intercompany transactions have been eliminated on consolidation.

(Concluded)

TABLE 8

YAGEO CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2022 (Foreign Currency in Thousands)	December 31, 2021 (Foreign Currency in Thousands)	Shares (In Thousands)	Percentage of Ownership	Carrying Value			
Yageo Corporation	Yageo Holding (Bermuda) Ltd.	Bermuda	Investment	US$ 237,158	US$ 259,747	17,411	100.00	$ 59,782,262	$ 1,184,525	$ 1,184,525	Subsidiary
	Kuo-Shin Investment Limited	Taipei	Investment	1,612,059	1,612,059	89,300	100.00	615,632	229,826	27,203	Subsidiary
	Brightking Holdings Ltd.	Cayman Islands	Holding company	3,328,253	3,328,253	45,608	100.00	3,199,289	100,867	42,127	Subsidiary
	Yageo Corporation (South Asia)	Singapore	Selling electronic components	SGD 780	SGD 780	-	100.00	883,244	128,479	128,479	Subsidiary
	Yageo Europe Holding B.V.	Netherlands	Holding company	EUR 172,056	EUR 130,602	207,269	100.00	4,239,558	1,012,232	1,012,232	Subsidiary
	Yageo South Asia (M) Sdn. Bhd.	Malaysia	Selling electronic components	-	-	-	100.00	3,302	1,307	1,307	Subsidiary
	Pulse Electronics Corporation	America	Holding company	US$ 721,461	US$ 721,461	25,574	100.00	33,363,203	3,867,229	3,748,051	Subsidiary
	Yageo Holding Hungary LLC	Hungary	Holding company	47,870,886	47,870,886	-	100.00	75,455,190	12,952,278	12,947,110	Subsidiary
	Chilisin Electronics Corp. (Note 2)	Hsinchu	Manufacturing and selling inductor	23,050,490	23,050,490	316,721	100.00	27,359,975	3,282,108	3,257,229	Subsidiary
	Yageo USA (H.K.) Limited (Note 10)	Hong Kong	Selling passive components	HK$ 8,000	HK$ 8,000	-	100.00	978,246	(79,074)	(79,074)	Subsidiary
	GTCL	Singapore	Holding company	60,603	60,603	8,232	23.57	321,241	337,090	79,156	Associate
	Kaimei Electronic Corp.	New Taipei City	Manufacturing and selling capacitor	1,048,487	1,064,737	6,500	5.98	627,881	643,389	38,481	Associate
	Strong Components Co., Ltd.	Kaohsiung	Manufacturing and selling electronic components	79,384	79,384	6,530	31.42	110,562	14,276	4,486	Associate
	XSemi Corporation (Note 4)	Hsinchu	Selling electronic components	1,190,000	140,000	1,190,000	35.00	1,153,781	(153,372)	(61,241)	Associate
Kuo-Shin Investment Limited	GTCL	Singapore	Holding company	50,078	50,078	1,839	5.26	81,655	337,090	17,682	Associate
	Kaimei Electronic Corp.	New Taipei City	Manufacturing and selling capacitor	89,939	93,575	1,454	1.34	131,059	643,389	8,611	Associate
	XSemi Corporation (Note 4)	Hsinchu	Selling electronic components	306,000	25,000	306,000	9.00	296,686	(153,372)	(13,371)	Associate
Yageo Holding (Bermuda) Ltd.	Yageo (Hong Kong) Limited	Hong Kong	Investment	HK$ 1,316,340	HK$ 1,316,340	1,030,499	100.00	US$ 452,735	US$ 35,012	US$ 35,012	Subsidiary
	Vitrohm Holding GmbH	Germany	Investment	EUR 15,849	EUR 15,849	-	100.00	US$ 15,110	US$ 714	US$ 714	Subsidiary
	Belkin International Enterprises Limited (Note 9)	Samoa	Investment	-	US$ 1,104	-	-	-	US$ (50)	US$ (23)	Subsidiary
	Yageo Korea	Korea	Sales of resistors	US$ 236	US$ 236	-	100.00	US$ 3,569	US$ 151	US$ 151	Subsidiary
	Yageo Japan	Japan	Sales of resistors	US$ 339	US$ 339	-	100.00	US$ 451	US$ (10)	US$ (10)	Subsidiary
	Hsu Tai International (H.K.) Ltd.	Hong Kong	Investment	US$ 2,400	US$ 2,400	1	100.00	US$ 1,037	US$ (97)	US$ (97)	Subsidiary
Brightking Holdings Ltd.	Brightking Enterprise (H.K.) Co., Ltd.	Hong Kong	Selling overvoltage and overcurrent protection electronic components	600,165	600,165	153,968	100.00	1,770,241	31,244	31,244	Subsidiary
Pulse Electronics Corporation	EGSTON Holding GmbH	Austria	Holding company	US$ 22,030	US$ 22,030	-	100.00	US$ 58,432	US$ 19,869	US$ 19,869	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2022 (Foreign Currency in Thousands)	December 31, 2021 (Foreign Currency in Thousands)	Shares (In Thousands)	Percentage of Ownership	Carrying Value			
Yageo Corporation (South Asia)	Ruiyi Technology (HongKong) Share Co., Limited	Hong Kong	Selling electronic components	HK$ 30,561	$ -	18,000	30.00	US$ 4,911	US$ 1,784	US$ 535	Associate
Yageo Europe Holding B.V.	Yageo Electronics Holding (S) PTE. LTD.	Singapore	Holding company	EUR 41,454	-	207,269	100.00	EUR 42,611	EUR 2,015	EUR 2,015	Subsidiary
Yageo Electronics Holding (S) PTE. LTD.	Yageo Electronics Investment (S) PTE. LTD.	Singapore	Holding company	-	-	-	100.00	EUR (24)	EUR (24)	EUR (24)	Subsidiary
	Ko-E Holding (Cayman) (Notes 3 and 10)	Cayman Islands	Holding company	US$ 6,801	US$ 6,790	6,801	97.15	EUR 42,635	EUR 2,099	EUR 2,039	Subsidiary
Ko-E Holding (Cayman)	Ko-E (H.K.) Limited	Hong Kong	Selling electronic components	US$ 4,662	US$ 4,662	-	100.00	US$ 31,721	US$ 14,795	US$ 14,795	Subsidiary
	Ko-E Electronics Trade Co., Ltd.	New Taipei City	Selling electronic components	US$ 1,481	US$ 1,481	4,500	100.00	US$ 3,061	US$ 848	US$ 848	Subsidiary
	Ko-E Electronic (Hong Kong) Limited	Hong Kong	Selling electronic components	US$ 646	US$ 646	5,000	100.00	US$ 7,647	US$ 6,977	US$ 6,977	Subsidiary
Brightking Enterprise (H.K.) Co., Ltd.	Ko-E Component Co., Ltd. (Note 5)	New Taipei City	Manufacturing and selling overvoltage and overcurrent protection electronic components	129,393	129,393	12,939	100.00	(100,022)	(18,451)	(18,451)	Subsidiary
Yageo Holding Hungary LLC	Yageo Holding Netherlands B.V. (Note 10)	Netherlands	Holding company	US$ 1,636,052	-	-	100.00	US$ 2,348,379	US$ 432,028	US$ 432,028	Subsidiary
Yageo Holding Netherlands B.V.	KEMET Corporation	America	Selling electronic components	US$ 1,636,052	-	1	100.00	US$ 2,348,379	US$ 432,028	US$ 432,028	Subsidiary
KEMET Corporation	KEMET Electronics Corporation	America	Manufacturing and selling electronic components	US$ 290,391	US$ 290,391	1	100.00	US$ 1,720,123	US$ 469,152	US$ 469,152	Subsidiary
KEMET Electronics Corporation	TOKIN Corporation	Japan	Manufacturing and selling electronic components	US$ 200,358	US$ 200,358	467,866	100.00	US$ 412,661	US$ 77,716	US$ 77,716	Subsidiary
	Yageo America LLC. (Note 6)	America	Selling electronic components	-	US$ 3,317	-	-	-	US$ 9	US$ 9	Subsidiary
TOKIN Corporation	NT Sales Co., Ltd.	Japan	Selling electronic components	JPY 297,335	JPY 297,335	264	33.00	US$ 2,490	US$ 2,281	US$ 753	Associate
	Nippon Yttrium Co., Ltd.	Japan	Selling electronic components	JPY 123,168	JPY 123,168	240	30.00	US$ 11,005	US$ 7,206	US$ 2,162	Associate
Chilisin Electronics Corp.	Chilisin International Ltd.	Samoa	Selling electronic components	6,049,429	6,049,429	192,295	100.00	8,227,160	570,188	570,188	Subsidiary
	Chilisin Holding (Samoa) Ltd.	Samoa	Investment	244,045	244,045	7,280	100.00	381,308	(4,975)	(4,975)	Subsidiary
	Chilisin Asia Investment Limited	Samoa	Investment	11,371	11,371	360	100.00	30,349	2,200	2,200	Subsidiary
	Chilisin Holding (Hong Kong) Limited	Hong Kong	Investment	2,563,365	2,563,365	85,000	94.15	3,057,676	160,717	152,995	Subsidiary
	Chilisin Electronics Japan Corp. (Note 7)	Japan	Selling electronic components	-	24,480	-	-	-	(368)	(368)	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2022 (Foreign Currency in Thousands)	December 31, 2021 (Foreign Currency in Thousands)	Shares (In Thousands)	Percentage of Ownership	Carrying Value			
	Ferroxcube International Holding B.V.	Netherlands	Investment	$ 4,252,786	$ 4,252,786	-	100.00	$ 3,091,266	$ 413,742	$ 413,742	Subsidiary
	Mag. Layers Scientific-Technics Co., Ltd.	Taoyuan City	Manufacturing and selling electronic components	12,383,969	12,383,969	112,161	100.00	12,028,949	679,084	633,540	Subsidiary
	Magic Technology Co., Ltd.	New Taipei City	Selling electronic components	1,429,883	1,429,883	68,238	100.00	1,346,492	(98,864)	(105,563)	Subsidiary
	Bothhand Enterprise Inc.	Taoyuan City	Manufacturing and selling computer components and electronic components	2,800,000	2,800,000	88,514	100.00	2,533,640	344,137	344,137	Subsidiary
Chilisin International Ltd.	Belkin International Enterprises Limited. (Note 9)	Samoa	Investment	-	153,475	-	-	-	US$ (50)	US$ (27)	Subsidiary
Chilisin Holding (Samoa) Ltd.	Chilisin Holding (Hong Kong) Limited	Hong Kong	Investment	177,254	177,254	5,280	5.85	US$ 10,718	US$ 160,717	US$ 266	Subsidiary
Chilisin Holding (Hong Kong) Limited	Chilisin Electronics (Vietnam) Limited company	Vietnam	Manufacturing and selling electronic components	2,563,365	2,563,365	102,000	100.00	US$ 107,010	US$ 4,339	US$ 3,377	Subsidiary
Chilisin Asia Investment Limited	Chilisin America Ltd.	America	Selling electronic components	6,022	6,022	200	100.00	US$ 904	-	-	Subsidiary
Belkin International Enterprises Limited	Guorui (Hong Kong) Limited (Note 9)	Hong Kong	Investment	-	US$ 2,445	-	-	-	US$ (50)	US$ (50)	Subsidiary
Ferroxcube International Holding B.V.	Ferroxcube Italia S.r.l.	Italy	Selling electronic components	EUR 12	EUR 12	-	100.00	EUR 1,122	EUR 60	EUR 60	Subsidiary
	Ferroxcube Deutschland GmbH	Germany	Selling electronic components	EUR 50	EUR 50	-	100.00	EUR 4,835	EUR 116	EUR 116	Subsidiary
	Ferroxcube USA Inc.	America	Selling electronic components	US$ 23	US$ 23	-	100.00	EUR 1,453	EUR 224	EUR 224	Subsidiary
	Hispano Ferritas S.A.	Spain	Selling electronic components	EUR 9,063	EUR 9,063	-	100.00	EUR 733	EUR 125	EUR 125	Subsidiary
	Ferroxcube Polska Sp. Z.o.o.	Poland	Manufacturing and selling electronic components	PLN 55,243	PLN 55,243	-	100.00	EUR 47,188	EUR 1,987	EUR 1,987	Subsidiary
	Ferroxcube Hong Kong Limited	Hong Kong	Resource allocation center and Investment	HK$ 79,551	HK$ 79,551	-	67.00	EUR 17,284	EUR 275	EUR 184	Subsidiary
Ferroxcube Polska Sp. Z.o.o.	Ferroxcube Hong Kong Limited	Hong Kong	Resource allocation center and Investment	HK$ 39,182	HK$ 39,182	-	33.00	EUR 8,513	EUR 275	EUR 91	Subsidiary
Mag. Layers Scientific-Technics Co., Ltd.	Mag. Layers (Hong Kong) Ltd. (Note 8)	Hong Kong	Selling electronic components	-	78	-	-	-	-	-	Subsidiary
	Mag. Layers International Co., Ltd.	The British Virgin Islands	Investment	736,428	736,428	25	100.00	1,479,870	153,994	156,752	Subsidiary
	Mag. Layers USA, Inc.	America	Selling electronic components	18,078	18,078	-	65.00	44,932	8,662	8,662	Subsidiary
Magic Technology Co., Ltd.	Magic Technology (Samoa) Co., Ltd.	Samoa	Investment	623,834	623,834	-	100.00	1,453,684	(160,430)	(160,437)	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2022 (Foreign Currency in Thousands)	December 31, 2021 (Foreign Currency in Thousands)	Shares (In Thousands)	Percentage of Ownership	Carrying Value			
Magic Technology (Samoa) Co., Ltd.	Classic Magic Developments Limited (Samoa)	Samoa	Selling electronic components	$ 230,430	$ 230,430	-	100.00	US$ 9,318	US$ 185	US$ 185	Subsidiary
	Trendy Island Investment Limited	Samoa	Investment	392,466	392,466	-	100.00	US$ 28,403	US$ (5,313)	US$ (5,313)	Subsidiary
Bothhand Enterprise Inc.	E-HENG Technology Co., Ltd.	Taoyuan City	Manufacturing and selling computer components and electronic components	4,400	4,400	440	100.00	11,674	(4,000)	(4,000)	Subsidiary
	Bothhand International Investment Co., Ltd.	The British Virgin Islands	Investment	60,829	60,829	1,000	100.00	1,679,460	145,104	195,248	Subsidiary

Note 1: For information on investments in mainland China, refer to Table 9.

Note 2: The Company issued 47,779 thousand ordinary shares as consideration for the acquisition of 100% of the interest of Chilisin Electronics Corp. in January 2022.

Note 3: Yageo Holding (Bermuda) Ltd. repurchased and sold its shares in the first quarter and third quarter of 2022, and increased Yageo Holding (Bermuda) Ltd.'s continuing interest from 97.00% to 97.15%.

Note 4: In June 2022, the Group subscribed for additional new shares of XSemi Corporation at a percentage different from its existing ownership percentage, and reduced its continuing interest from 55% to 44%.

Note 5: In August 2022, Brightking Electronics Co., Ltd. has changed its name to Ko-E Component Co., Ltd.

Note 6: Yageo America LLC. has dissolved and liquidated in the third quarter of 2022.

Note 7: Chilisin Electronics Japan Corp. has dissolved and liquidated in the second quarter of 2022.

Note 8: Mag. Layers (Hong Kong) Ltd. has dissolved and liquidated in the second quarter of 2022.

Note 9: Belkin International Enterprises Limited and Guorui (Hong Kong) Limited. has dissolved and liquidated in the fourth quarter of 2022.

Note 10: In November 2022, the group adjusted the internal organizational structure of the group. Yageo USA (H.K.) Limited, a subsidiary originally held by Yageo Holding (Bermuda) Ltd., was changed to be held by the Company. Ko-E Holding (Cayman), a subsidiary originally held by Yageo Holding (Bermuda) Ltd., was changed to be held by the grandson company, Yageo Electronics Holding (S) PTE. LTD. In December 2022, KEMET Corporation, a subsidiary originally held by Yageo Holding Hungry LLC, was changed to be held by Yageo Holding Netherlands B.V. Since the transaction is under common control, the book-value method is applied in the transaction.

Note 11: All the above investment account and share of profit or loss relevant to subsidiaries have been eliminated upon consolidation.

(Concluded)

TABLE 9

YAGEO CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (Foreign Currency in Thousands) (Note 3)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022 (US$ in Thousands) (Note 3)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022 (US$ in Thousands) (Note 3)	Net Income (Losses) of the Investee Company (Foreign Currency in Thousands) (Note 4)	Percentage of Ownership	Share of Profits/Losses (Foreign Currency in Thousands) (Note 4)	Carrying Amount as of December 31, 2022 (Foreign Currency in Thousands) (Note 3)	Accumulated Inward Remittance of Earnings as of December 31, 2022 (US$ in Thousands) (Note 3)
					Outflow (Note 3)	Inflow (Note 3)						
Yageo Electronics (Dongguan) Co., Ltd.	Manufacturing and selling passive components	US$ 53,250 ($ 1,635,201)	Indirect: Through a company registered in a third region	US$ 46,510 ($ 1,428,229)	$ -	$ -	US$ 46,510 ($ 1,428,229)	HK$ 115,188 ($ 438,486)	100.00	HK$ 118,811 ($ 452,278)	HK$ 678,973 ($ 2,673,931)	US$ 61,915 ($ 1,901,286)
Yageo Electronics (China) Co., Ltd.	Manufacturing and selling passive components	US$ 301,977 ($ 9,273,110)	Indirect: Through a company registered in a third region	US$ 204,977 ($ 6,294,434)	-	-	US$ 204,977 ($ 6,294,434)	HK$ 365,219 ($ 1,390,279)	100.00	HK$ 452,844 ($ 1,723,841)	HK$ 2,669,592 ($ 10,513,387)	US$ 117,160 ($ 3,597,749)
Yageo Components (Suzhou) Co., Ltd.	Manufacturing and selling passive components	US$ 5,000 ($ 153,540)	Indirect: Through a company registered in a third region	US$ 5,000 ($ 153,540)	-	-	US$ 5,000 ($ 153,540)	HK$ 10,767 ($ 40,987)	100.00	HK$ 10,258 ($ 39,049)	HK$ 59,260 ($ 233,378)	-
Yageo (Suzhou) Trade Co., Ltd.	Selling passive components	US$ 5,000 ($ 153,540)	Indirect: Through a company registered in a third region	US$ 5,000 ($ 153,540)	-	-	US$ 5,000 ($ 153,540)	HK$ 37,143 ($ 141,392)	100.00	HK$ 37,143 ($ 141,392)	HK$ 169,239 ($ 666,497)	-
Compostar Technology (Dongguan) Co., Ltd. (Note 7)	Manufacturing and selling passive components	US$ 1,500 ($ 46,602)	Indirect: Through a company registered in a third region	US$ 1,164 ($ 35,744)	-	-	US$ 1,164 ($ 35,744)	-	-	-	-	-
Compostar Technology (Suzhou) Co., Ltd.	Manufacturing and selling passive components	US$ 5,150 ($ 158,146)	Indirect: Through a company registered in a third region	US$ 5,150 ($ 158,146)	-	-	US$ 5,150 ($ 158,146)	-	-	-	-	-
Guo Chuang Electronics (Dongguan) Co., Ltd. (Note 8)	Manufacturing and selling passive components	US$ 1,709 ($ 52,480)	Indirect: Through a company registered in a third region	US$ 789 ($ 24,299)	-	-	US$ 789 ($ 24,299)	-	-	-	-	-
Ko-E Technology (Shenzhen) Co., Ltd.	Selling electronic components	US$ 3,500 ($ 107,478)	Indirect: Through a company registered in a third region	US$ 3,150 ($ 96,730)	-	-	US$ 3,150 ($ 96,730)	HK$ 41,714 ($ 158,793)	97.15	HK$ 40,525 ($ 154,267)	HK$ 252,247 ($ 993,399)	-
Guo Ray Electronics Co., Ltd. (Note 7)	Selling electronic components	US$ 1,000 ($ 30,708)	Indirect: Through a company registered in a third region	US$ 460 ($ 14,126)	-	-	US$ 460 ($ 14,126)	-	-	-	-	-
Chen-Xin Electronic (Chiao-Tao) Co., Ltd. (Note 7)	Manufacturing and selling passive components	HK$ 1,000 ($ 3,938)	Indirect: Through a company registered in a third region	US$ 59 ($ 1,812)	-	-	US$ 59 ($ 1,812)	-	-	-	-	-
Chen Xin (Dongguan)	Manufacturing passive components	US$ 1,000 ($ 30,708)	Indirect: Through a company registered in a third region	US$ 460 ($ 14,126)	-	-	US$ 460 ($ 14,126)	-	-	-	-	-
Bestbright Electronics Co., Ltd.	Manufacturing and selling overvoltage and overcurrent protection electronic components	342,073	Indirect: Through a company registered in a third region	US$ 110,301 ($ 3,387,123)	-	-	US$ 110,301 ($ 3,387,123)	77,446	100.00	77,446	1,020,204	-
Brightking (Shenzhen) Co., Ltd.	Selling overvoltage and overcurrent protection electronic components	94,380	Indirect: Through a company registered in a third region	-	-	-	-	(1,322)	100.00	(1,322)	488,797	-
Brightking (Shanghai) Co., Ltd.	Selling overvoltage and overcurrent protection electronic components	29,249	Indirect: Through a company registered in a third region	-	-	-	-	(23,548)	100.00	(23,548)	152,730	-
Brightking (Beijing) Co., Ltd.	Selling overvoltage and overcurrent protection electronic components	18,876	Indirect: Through a company registered in a third region	-	-	-	-	252	100.00	252	397	-
Huizhou Lien Shun Electronics Co., Ltd. (Note 10)	Manufacturing and selling overvoltage protection electronic components	-	Indirect: Through a company registered in a third region	US$ 1,603 ($ 49,225)	-	-	US$ 1,603 ($ 49,225)	-	-	-	-	-
Ceramate Technical (Suzhou) Co., Ltd. (Note 11)	Manufacturing and selling overvoltage and overcurrent protection electronic components	-	Indirect: Through a company registered in a third region	-	-	-	-	3,968	-	3,968	-	-

(Continued)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (Foreign Currency in Thousands) (Note 3)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022 (US$ in Thousands) (Note 3)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022 (US$ in Thousands) (Note 3)	Net Income (Losses) of the Investee Company (Foreign Currency in Thousands) (Note 4)	Percentage of Ownership	Share of Profits/Losses (Foreign Currency in Thousands) (Note 4)	Carrying Amount as of December 31, 2022 (Foreign Currency in Thousands) (Note 3)	Accumulated Inward Remittance of Earnings as of December 31, 2022 (US$ in Thousands) (Note 3)
					Outflow (Note 3)	Inflow (Note 3)						
Yageo Components (Jiashan) Co, Ltd.	Manufacturing and selling overvoltage and overcurrent protection electronic components	$ 186,642	Indirect: Through a company registered in a third region	$ -	$ -	$ -	$ -	$ (3,439)	100.00	$ (3,439)	$ 220,199	$ -
Pulse Electronics (Dongguan) Co., Ltd.	Manufacturing electronic components	HK$ 197,297 ($ 776,995)	Indirect: Through a company registered in a third region	US$ 383,032 ($ 11,762,147)	-	-	US$ 383,032 ($ 11,762,147)	290,513	100.00	290,513	2,199,322	-
Mian Yang Pulse Electronics Co., Ltd.	Manufacturing electronic components	US$ 2,100 ($ 64,487)	Indirect: Through a company registered in a third region	US$ 37,012 ($ 1,136,564)	-	-	US$ 37,012 ($ 1,136,564)	83,758	100.00	83,758	385,741	-
Suining Pulse Electronics Co., Ltd.	Manufacturing electronic components	US$ 500 ($ 15,354)	Indirect: Through a company registered in a third region	US$ 37,445 ($ 1,149,861)	-	-	US$ 37,445 ($ 1,149,861)	206,310	100.00	206,310	297,213	-
Pulse (Suzhou) Wireless Products Co., Ltd.	Manufacturing electronic components	US$ 25,300 ($ 776,912)	Indirect: Through a company registered in a third region	US$ 21,788 ($ 669,066)	-	-	US$ 21,788 ($ 669,066)	(6,900)	100.00	(6,900)	270,219	-
Pulse Electronics (ShenZhen) Co., Ltd.	Manufacturing electronic components	US$ 650 ($ 19,960)	Indirect: Through a company registered in a third region	US$ 3,533 ($ 108,491)	-	-	US$ 3,533 ($ 108,491)	350	100.00	350	12,801	-
Shengsheng Technology (Suzhou) Co., Ltd. (Note 9)	Manufacturing electronic components	US$ 9,000 ($ 276,372)	Indirect: Through a company registered in a third region	US$ 9,656 ($ 296,516)	-	-	US$ 9,656 ($ 296,516)	-	-	-	-	-
EGSTON Electronics Zhuhai Ltd.	Manufacturing electronic components	US$ 2,340 ($ 71,857)	Indirect: Through a company registered in a third region	US$ 19,748 ($ 606,422)	-	-	US$ 19,748 ($ 606,422)	89,183	100.00	89,183	61,600	-
KEMET Electronics (Suzhou) Co., Ltd.	Manufacturing and selling electronic components	US$ 26,667 ($ 818,890)	Indirect: Through a company registered in a third region	US$ 208,750 ($ 6,410,295)	-	-	US$ 208,750 ($ 6,410,295)	US$ 8,705 ($ 259,483)	100.00	US$ 8,705 ($ 259,483)	US$ 103,027 ($ 3,163,744)	US$ 5,395 ($ 165,670)
Shanghai Arcotronics Components & Machineries Co., Ltd.	Manufacturing electronic components	RMB 32,600 ($ 144,011)	Indirect: Through a company registered in a third region	-	-	-	-	US$ 3,390 ($ 101,057)	100.00	US$ 3,390 ($ 101,057)	US$ 26,523 ($ 814,459)	-
KEMET Jianghai Electronics Components Co., Ltd.	Manufacturing electronic components	US$ 16,000 ($ 491,328)	Indirect: Through a company registered in a third region	US$ 16,666 ($ 511,780)	-	-	US$ 16,666 ($ 511,780)	US$ (1,853) ($ (55,219))	50.00	US$ (926) ($ (27,609))	US$ 1,261 ($ 38,714)	-
TOKIN Electronics (Xiamen) Corporation	Manufacturing electronic components	US$ 31,000 ($ 951,948)	Indirect: Through a company registered in a third region	US$ 57,825 ($ 1,775,690)	-	-	US$ 57,825 ($ 1,775,690)	US$ 4,453 ($ 132,742)	100.00	US$ 4,453 ($ 132,742)	US$ 31,908 ($ 979,833)	-
Shenzhen Ruiyi Electronics Co., Ltd.	Selling electronic components	RMB 7,492 ($ 33,096)	Indirect: Through a company registered in a third region	-	-	-	-	-	30.00	-	US$ 2,240 ($ 68,797)	-
Dongguan Chilisin Electronics Co., Ltd.	Manufacturing and selling electronic components	HK$ 495,060 ($ 1,949,645)	Indirect: Through a company registered in a third region	US$ 66,209 ($ 2,033,146)	-	-	US$ 66,209 ($ 2,033,146)	US$ 10,568 ($ 315,000)	100.00	US$ 10,401 ($ 310,023)	US$ 79,814 ($ 2,450,928)	-
Chilisin Electronics (Su Zhou) Co., Ltd. (Note 12)	Manufacturing and selling electronic components	US$ 5,850 ($ 179,642)	Indirect: Through a company registered in a third region	US$ 5,272 ($ 161,893)	-	-	US$ 5,272 ($ 161,893)	-	-	-	-	-
Chilisin Electronics (Henan) Co., Ltd. (Note 12)	Manufacturing and selling electronic components	US$ 4,000 ($ 122,832)	Indirect: Through a company registered in a third region	US$ 4,000 ($ 122,832)	-	-	US$ 4,000 ($ 122,832)	-	-	-	-	-
Dongguan CNA Electronics Co., Ltd.	Manufacturing and selling electronic components	US$ 1,000 ($ 30,708)	Indirect: Through a company registered in a third region	US$ 500 ($ 15,354)	-	-	US$ 500 ($ 15,354)	US$ (127) ($ (3,785))	50.00	US$ (63) ($ (1,892))	US$ 1,123 ($ 34,482)	-
Dongguan Lianmao Electronics Co., Ltd. (Note 14)	Selling electronic components	US$ 200 ($ 6,142)	Indirect: Through a company registered in a third region	US$ 200 ($ 6,142)	-	-	US$ 200 ($ 6,142)	-	100.00	-	-	-
Suzhou Qiyixin Electronics Co., Ltd.	Selling electronic components	US$ 2,000 ($ 61,416)	Indirect: Through a company registered in a third region	US$ 2,000 ($ 61,416)	-	-	US$ 2,000 ($ 61,416)	US$ (427) ($ (12,721))	100.00	US$ (427) ($ (12,721))	US$ 1,764 ($ 54,173)	-
Hunan Chilisin Electronics Technology Co., Ltd.	Manufacturing and selling electronic components	US$ 69,000 ($ 2,118,852)	Indirect: Through a company registered in a third region	US$ 69,000 ($ 2,118,852)	-	-	US$ 69,000 ($ 2,118,852)	US$ 8,641 ($ 257,575)	100.00	US$ 8,641 ($ 257,562)	US$ 69,880 ($ 2,145,875)	-
Shenzhen Chilisin Electronics Co., Ltd.	Selling electronic components	US$ 900 ($ 27,637)	Indirect: Through a company registered in a third region	(US$ 900 ($ 27,637)	-	-	(US$ 900 ($ 27,637)	US$ 2,443 ($ 72,805)	100.00	US$ 2,443 ($ 72,805)	US$ 1,435 ($ 44,075)	-

(Continued)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (Foreign Currency in Thousands) (Note 3)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022 (US$ in Thousands) (Note 3)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022 (US$ in Thousands) (Note 3)	Net Income (Losses) of the Investee Company (Foreign Currency in Thousands) (Note 4)	Percentage of Ownership	Share of Profits/Losses (Foreign Currency in Thousands) (Note 4)	Carrying Amount as of December 31, 2022 (Foreign Currency in Thousands) (Note 3)	Accumulated Inward Remittance of Earnings as of December 31, 2022 (US$ in Thousands) (Note 3)
					Outflow (Note 3)	Inflow (Note 3)						
Yuanling Country Xianghua Electronic Technology Co., Ltd.	Manufacturing and selling electronic components	RMB 15,000 ($ 66,263)	Indirect: Through a company in mainland China	$ -	$ -	$ -	$ -	$ -	49.90	$ -	$ -	$ -
Mag. Layers International Co., Ltd.	Manufacturing and selling passive components	US$ 28,479 ($ 874,533)	Indirect: Through a company registered in a third region	US$ 24,500 ($ 752,346)	-	-	US$ 24,500 ($ 752,346)	US$ 6,527 ($ 194,550)	100.00	US$ 6,527 ($ 194,550)	US$ 32,498 ($ 997,949)	-
Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	Manufacturing and selling electronic components	RMB 41,446 ($ 183,090)	Indirect: Through a company in mainland China	-	-	-	-	RMB (3,758) ($ (16,634))	100.00	RMB (3,758) ($ (16,634))	RMB 218,888 ($ 967,240)	-
Ferroxcube Electronics (Dongguan) Limited	Manufacturing and selling electronic components	US$ 22,300 ($ 684,788)	Indirect: Through a company registered in a third region	US$ 21,122 ($ 648,614)	-	-	US$ 21,122 ($ 648,614)	EUR 5,303 ($ 166,582)	100.00	EUR 5,303 ($ 166,582)	EUR 27,972 ($ 915,560)	-
Magic Electronic Technology (Shenzhen) Co., Ltd.	Manufacturing and selling electronic components	US$ 1,287 ($ 39,521)	Indirect: Through a company registered in a third region	US$ 1,287 ($ 39,521)	-	-	US$ 1,287 ($ 39,521)	US$ 193 ($ 5,762)	100.00	US$ 193 ($ 5,762)	US$ 1,846 ($ 56,689)	-
Magic Trade (Shenzhen) Co., Ltd.	Selling electronic components	US$ 79 ($ 2,426)	Indirect: Through a company registered in a third region	US$ 79 ($ 2,426)	-	-	US$ 79 ($ 2,426)	US$ (203) ($ (6,043))	100.00	US$ (203) ($ (6,043))	US$ 4,060 ($ 124,687)	-
Magic Electronic Technology (Hunan) Co., Ltd.	Manufacturing and selling electronic components	US$ 1,000 ($ 30,708)	Indirect: Through a company registered in a third region	US$ 1,000 ($ 30,708)	-	-	US$ 1,000 ($ 30,708)	US$ (28) ($ (841))	100.00	US$ (28) ($ (841))	US$ 942 ($ 28,935)	-
Magic Electronic Technology (Chongqing) Co., Ltd.	Manufacturing and selling electronic components	US$ 13,000 ($ 399,204)	Indirect: Through a company registered in a third region	US$ 13,000 ($ 399,204)	-	-	US$ 13,000 ($ 399,204)	US$ (5,313) ($ (158,364))	100.00	US$ (5,313) ($ (158,364))	US$ 28,420 ($ 872,726)	-
Bothhand Enterprise (Guangzhou) Inc. (Note 13)	Manufacturing and selling computer components and electronic components	-	Indirect: Through a company registered in a third region	HK$ 5,764 ($ 22,700)	-	-	HK$ 5,764 ($ 22,700)	-	-	-	-	-
Kaiping Bothhand Electronics Co., Ltd. (Note 15)	Manufacturing and selling computer components and electronic components	-	Indirect: Through a company registered in a third region	US$ 879 HK$ 34,609 ($ 163,289)	-	-	US$ 879 HK$ 34,609 ($ 163,289)	-	-	-	-	-
Guangzhou Bothhand Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	US$ 2,022 ($ 62,092)	Indirect: Through a company registered in a third region	US$ 978 ($ 30,032)	-	-	US$ 978 ($ 30,032)	RMB 1,898 ($ 8,401)	100.00	RMB 1,898 ($ 8,401)	RMB 47,654 ($ 210,512)	-
Deyang Bothhand Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	US$ 5,000 ($ 153,540)	Indirect: Through a company registered in a third region	-	-	-	-	RMB 29,062 ($ 128,638)	100.00	RMB 29,062 ($ 128,638)	RMB 280,084 ($ 1,237,269)	-
Guangzhou Chenghan Electronic Technology Co., Ltd.	Manufacturing and selling computer components and electronic components	RMB 25,988 ($ 114,802)	Indirect: Through a company in mainland China	-	-	-	-	RMB 1,081 ($ 4,785)	100.00	RMB 1,081 ($ 4,785)	RMB 41,280 ($ 182,355)	-
Deyang Shisheng Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	RMB 5,000 ($ 22,088)	Indirect: Through a company in mainland China	-	-	-	-	RMB 5,795 ($ 25,650)	100.00	RMB 5,795 ($ 25,650)	RMB 25,811 ($ 114,019)	-
Deyang Hongyi Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	RMB 30,000 ($ 132,525)	Indirect: Through a company in mainland China	-	-	-	-	RMB 5,405 ($ 23,926)	51.00	RMB 2,757 ($ 12,202)	RMB 24,866 ($ 109,844)	-
Hunan Bothhand Electronics Co., Ltd. (Note 16)	Manufacturing and selling computer components and electronic components	-	Indirect: Through a company in mainland China	-	-	-	-	RMB (32) ($ (142))	-	RMB (32) ($ (142))	-	-
Magic (Suzhou) Photoelectric Technology., Ltd. (Note 12)	Manufacturing electronic components	-	Direct investment in mainland China	US$ 400 ($ 12,283)	-	-	US$ 400 ($ 12,283)	-	-	-	-	-

(Continued)

Accumulated Investment in Mainland China as of December 31, 2022 (US$ in Thousands) (Note 3)	Investment Amounts Authorized by Investment Commission, MOEA (US$ in Thousands) (Note 3)	Upper Limit on Investment
$36,237,835 (US$1,180,078)	$48,212,113 (US$1,570,018) (Note 1)	(Note 2)

Note 1: Investment Commission of MOEA approved the transfer of earnings to capital of Yageo Electronics (Dongguan) Co., Ltd. and Yageo Electronics (China) Co., Ltd. amounting to US$6,740 thousand and US$97,000 thousand, respectively.

Note 2: Referred to under Order No. 11020419960 issued by the MOEA on May 27, 2021 the Company obtained the operational headquarters certification documents issued by the Industrial Bureau of the MOEA with validity period from May 26, 2021 to May 25, 2024. Therefore, the investment in mainland China is not restricted.

Note 3: The currency exchange rates on December 31, 2022, of NTD to HKD, USD and RMB, which were 1:3.9382, 1:30.708 and 1:4.4175, respectively.

Note 4: The currency exchange rates in 2022, of NTD to HKD, USD and RMB, which were 1:3.8067, 1:29.807 and 1:4.4263, respectively.

Note 5: Compostar Technology (Suzhou) Co., Ltd., Chen-Xin Electronic (Chiao-Tao) Co., Ltd. and Chen Xin (Dongguan) have been liquidated and the liquidation was approved by Investment Commission of MOEA.

Note 6: All the above investment account and share of profit or loss relevant to subsidiaries have been eliminated on consolidation.

Note 7: Compostar Technology (Dongguan) Co., Ltd., Guo Ray Electronics Co., Ltd. and Chen-Xin Electronic (Chiao-Tao) Co., Ltd. had been cancelled in the third quarter of 2019.

Note 8: Guo Chuang Electronics (Dongguan) Co., Ltd. had been dissolved and liquidated in March 2021.

Note 9: Shengsheng Technology (Suzhou) Co., Ltd. had been dissolved and liquidated in September 2021.

Note 10: Huizhou Lien Shun Electronics Co., Ltd. had been dissolved and liquidated in September 2021.

Note 11: Ceramate Technical (Suzhou) Co., Ltd. had been dissolved and liquidated in January 2022.

Note 12: Chilisin Electronics (Henan) Co., Ltd., Chilisin Electronics (Su Zhou) Co., Ltd. and Magic (Suzhou) Photoelectric Technology., Ltd. had been dissolved in May 2020, June 2020 and November 2020 respectively.

Note 13: Bothhand Enterprise (Guangzhou) Inc. had been liquidated in January 2011, but the remaining capital stock has not yet been remitted back to Taiwan.

Note 14: Dongguan Lianmao Electronics Co., Ltd. had been dissolved and liquidated in the fourth quarter of 2021.

Note 15: Kaiping Bothhand Electronics Co., Ltd. had been sold in July 2021 and stock transferred in October 2021.

Note 16: Hunan Bothhand Electronics Co., Ltd. had been liquidated in August 2022, but the remaining capital stock has not yet been remitted back to Taiwan.

(Concluded)

TABLE 10

YAGEO CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars)

No.	Company Name	Counterparty	Nature of Relationship (Note 1)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets
0	Yageo Corporation	Yageo Europe Holding B.V.	a.	Receivables from related parties	$ 133,087	Offset account T/T 45 days	-
		Yageo Electronics (China) Co., Ltd.	a.	Receivables from related parties	229,046	T/T 90 days	-
		KEMET Electronics Corporation	a.	Receivables from related parties	488,672	T/T 90 days	-
		Yageo Corporation (South Asia)	a.	Sales	1,379,729	T/T 90 days	1
		Yageo Europe Holding B.V.	a.	Sales	1,891,649	Offset account T/T 45 days	2
		Yageo USA (H.K.) Limited	a.	Sales	13,967,246	Offset account T/T 90 days	12
		Yageo Electronics (China) Co., Ltd.	a.	Sales	1,305,167	T/T 90 days	1
		Yageo Electronics (Dongguan) Co., Ltd.	a.	Sales	2,786,571	Offset account T/T 90 days	2
		Ko-E Electronics Trade Co., Ltd.	a.	Sales	356,702	T/T 90 days	-
		Ko-E (H.K.) Limited	a.	Sales	355,628	T/T 90 days	-
		KEMET Electronics Corporation	a.	Sales	768,720	T/T 90 days	-
1	Yageo Holding (Bermuda) Ltd.	Yageo Europe Holding B.V.	c.	Receivables from related parties	5,661,130	Financing	2
		Yageo USA (H.K.) Limited	c.	Receivables from related parties	6,699,945	Financing	2
		Yageo Corporation	b.	Receivables from related parties	9,212,400	Financing	3
2	Yageo Electronics (China) Co., Ltd.	Pulse (Suzhou) Wireless Products Co., Ltd.	c.	Receivables from related parties	550,087	T/T 90 days	-
		Yageo Europe Holding B.V.	c.	Receivables from related parties	150,061	T/T 90 days	-
		Ko-E (H.K.) Limited	c.	Sales	1,294,676	T/T 90 days	1
		Yageo Europe B.V.	c.	Sales	896,804	T/T 90 days	1
		Yageo Corporation	b.	Receivables from related parties	989,922	T/T 90 days	-
		Yageo Corporation	b.	Sales	8,579,905	T/T 90 days	7
3	Yageo USA (H.K.) Limited	Yageo (Suzhou) Trade Co., Ltd.	c.	Receivables from related parties	2,343,788	T/T 90 days	1
		Yageo Electronics (Dongguan) Co., Ltd.	c.	Receivables from related parties	1,235,030	T/T 90 days	-
		Ko-E (H.K.) Limited	c.	Receivables from related parties	546,143	T/T 90 days	-
		Yageo Corporation	b.	Receivables from related parties	1,480,434	Offset account T/T 90 days	1
		Yageo Electronics (Dongguan) Co., Ltd.	c.	Sales	2,451,032	T/T 90 days	2
		Yageo (Suzhou) Trade Co., Ltd.	c.	Sales	4,111,053	T/T 90 days	3
		Ko-E (H.K.) Limited	c.	Sales	2,636,436	T/T 90 days	2
4	Yageo Electronics (Dongguan) Co., Ltd.	Yageo Corporation	b.	Sales	7,050,162	Offset account T/T 90 days	6
5	Yageo (Suzhou) Trade Co., Ltd.	Ko-E Technology (Shenzhen) Co., Ltd.	c.	Receivables from related parties	1,718,531	T/T 65 days	1
		Ko-E Technology (Shenzhen) Co., Ltd.	c.	Sales	2,825,423	T/T 65 days	2
6	Yageo Components (Suzhou) Co., Ltd.	Yageo Corporation	b.	Sales	146,903	T/T 90 days	-

(Continued)

No.	Company Name	Counterparty	Nature of Relationship (Note 1)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets
7	Vitrohm Holding GmbH	Yageo Holding (Bermuda) Ltd.	b.	Receivables from related parties	$ 212,289	Financing	-
8	Kuo-Shin Investment Limited	Ko-E Component Co., Ltd.	c.	Receivables from related parties	115,000	Financing	-
9	Yageo Europe Holding B.V.	Yageo USA (H.K.) Limited	c.	Receivables from related parties	1,596,816	Financing	1
10	Bestbright Electronics Co., Ltd.	Ko-E Technology (Shenzhen) Co., Ltd.	c.	Receivables from related parties	332,329	T/T 30-60 days	-
		Ko-E Technology (Shenzhen) Co., Ltd.	c.	Sales	1,366,493	T/T 30-60 days	-
11	Dongguan Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	b.	Receivables from related parties	1,580,252	T/T 90 days	1
		Pulse Electronics GmbH	c.	Receivables from related parties	640,273	T/T 90 days	-
		Pulse Electronics (Singapore) Pte. Ltd.	b.	Sales	2,195,625	T/T 90 days	2
		Pulse Electronics GmbH	c.	Sales	144,412	T/T 90 days	-
12	Mianyang Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	b.	Receivables from related parties	218,897	T/T 90 days	1
		Pulse Electronics Inc.	b.	Receivables from related parties	210,262	T/T 90 days	-
		Pulse Electronics (Singapore) Pte. Ltd.	b.	Sales	1,775,554	T/T 90 days	1
		Pulse Electronics Inc.	b.	Sales	284,690	T/T 90 days	-
13	Pulse (Suzhou) Wireless Products Co., Ltd.	Pulse Electronics Korea Y	c.	Receivables from related parties	157,822	T/T 90 days	-
		Pulse Electronics Inc.	b.	Sales	277,498	T/T 90 days	-
		Pulse Electronics (Singapore) Pte. Ltd.	b.	Sales	666,466	T/T 90 days	1
14	Suining Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	b.	Receivables from related parties	328,252	T/T 90 days	-
		Pulse Electronics (Singapore) Pte. Ltd.	b.	Sales	1,469,428	T/T 90 days	1
		Pulse Electronics Inc.	b.	Sales	158,955	T/T 90 days	-
15	Pulse Components. Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	b.	Receivables from related parties	584,148	Financing	-
		Pulse Electronics Inc.	b.	Sales	321,668	T/T 90 days	-
		Pulse Electronics (Singapore) Pte. Ltd.	b.	Sales	969,849	T/T 90 days	1
16	Pulse Electronics (Singapore) Pte. Ltd.	Yageo Corporation	b.	Receivables from related parties	3,070,800	Financing	1
		Pulse System Electronics (India) Pte. Ltd.	a.	Receivables from related parties	144,328	Financing	-
17	Maxtop Profits Limited	Pulse Component Ltd.	c.	Receivables from related parties	414,558	Financing	-
		Acadia Electronics Co., Ltd.	c.	Receivables from related parties	368,496	Financing	-
18	Pulse Finland Oy	Pulse Electronics Korea YH	a.	Receivables from related parties	163,659	Financing	-
19	Pulse Electronics Inc.	Pulse Electronics (Singapore) Pte. Ltd.	a.	Receivables from related parties	1,074,780	Financing	-
20	EGSTON System Electronic Eggenburg GmbH	EGSTON Automotive Eggenburg GmbH	c.	Receivables from related parties	244,292	T/T 30 days	-
		EGSTON Automotive Eggenburg GmbH	c.	Sales	140,228	T/T 30 days	-
		EGSTON System Electronic spol.s.r.o.	c.	Receivables from related parties	208,913	T/T 30 days	-
		EGSTON System Electronic spol.s.r.o.	c.	Sales	105,740	Financing	-

(Continued)

No.	Company Name	Counterparty	Nature of Relationship (Note 1)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets
21	EGSTON System Electronic spol.s.r.o.	EGSTON Automotive Eggenburg GmbH	c.	Receivables from related parties	$ 152,296	T/T 30 days	-
		EGSTON System Electronics Eggenburg GmbH	c.	Sales	1,570,147	T/T 30 days	1
		EGSTON Automotive Eggenburg GmbH	c.	Sales	1,486,816	T/T 30 days	1
22	EGSTON Electronics Zhuhai Ltd.	EGSTON Far East GmbH	c.	Receivables from related parties	116,918	T/T 60 days	-
		EGSTON Far East GmbH	c.	Sales	365,927	T/T 60 days	-
23	Pulse System Electronics (India) Pte. Ltd	EGSTON System Electronic spol.s.r.o.	c.	Sales	113,832	T/T 60 days	-
		EGSTON Far East GmbH	c.	Sales	115,977	T/T 60 days	-
24	Evox Rifa Pte Ltd.	KEMET Electronics Marketing (S) Pte Ltd.	c.	Receivables from related parties	203,743	Net 60 days	-
25	P.T. KEMET Electronics Indonesia	KEMET Electronics Corporation	b.	Receivables from related parties	138,526	Net 60 days	-
		KEMET Electronics Corporation	b.	Sales	136,671	Net 60 days	-
26	Shanghai Arcotronics Components & Machineries Co., Ltd.	KEMET Electronics Corporation	b.	Sales	342,231	Net 60 days	-
		KEMET Electronics (Suzhou) Co., Ltd.	b.	Sales	155,870	Net 60 days	-
27	KEMET Electronics Portugal, S.A.	KEMET Electronics Corporation	b.	Receivables from related parties	270,658	Net 60 days	-
		KEMET Electronics Corporation	b.	Sales	429,550	Net 60 days	-
28	KEMET Electronics AB	KEMET Electronics Corporation	b.	Receivables from related parties	194,511	Net 60 days	-
29	KEMET Electronics Bulgaria EAD	KEMET Electronics Corporation	b.	Sales	220,204	Net 60 days	-
30	KEMET Electronics Italia S.r.l.	KEMET Electronics Corporation	b.	Sales	128,701	Net 60 days	-
31	KEMET de Mexico, S.A. de C.V.	KEMET Electronics Corporation	b.	Receivables from related parties	507,001	Net 30 days	-
32	KEMET Electronics Corporation	KEMET Electronics Italia SRL	a.	Receivables from related parties	863,331	Financing	-
		KEMET Electronics Italia SRL	a.	Receivables from related parties	306,274	Net 60 days	-
		KEMET Electronics Marketing (S) Pte Ltd.	a.	Receivables from related parties	1,358,354	Net 60 days	1
		KEMET Electronics Marketing (S) Pte Ltd.	a.	Sales	2,834,202	Net 60 days	2
		KEMET Electronics (Suzhou) Co., Ltd.	a.	Sales	452,600	Net 60 days	-
		TOKIN Electronics (Thailand) Co., Ltd.	a.	Sales	171,221	Net 45 days	-
33	KEMET Electronics GmbH	KEMET Electronics Corporation	b.	Receivables from related parties	835,603	Net 60 days	-
34	KEMET Electronics (Suzhou) Co., Ltd.	KEMET Electronics Corporation	b.	Receivables from related parties	774,077	Net 60 days	-
		KEMET Electronics Corporation	b.	Sales	1,043,937	Net 60 days	1
35	KEMET Electronics Macedonia DOOEL Skopje	KEMET Electronics Corporation	b.	Sales	185,539	Net 60 days	-
36	KEMET Electronics Limited	KEMET Electronics Corporation	b.	Receivables from related parties	340,809	Net 60 days	-

(Continued)

No.	Company Name	Counterparty	Nature of Relationship (Note 1)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets
37	TOKIN Corporation	KEMET Corporation	b.	Receivables from related parties	$ 5,126,000	Financing	2
		KEMET Electronics Corporation	b.	Receivables from related parties	1,008,500	T/T 45 days	-
		KEMET Electronics Corporation	b.	Sales	518,305	Net 60 days	1
		TOKIN Hong Kong Ltd.	a.	Receivables from related parties	775,618	Net 90 days	-
		TOKIN Hong Kong Ltd.	a.	Sales	5,939,239	Net 90 days	5
		KEMET Electronics (Suzhou) Co., Ltd.	c.	Receivables from related parties	138,203	T/T 45 days	-
		TOKIN Singapore Pte Ltd.	a.	Sales	807,910	Net 30 days	1
		TOKIN Electronics (Xiamen) Corporation	a.	Sales	189,168	Net 60 days	-
38	TOKIN Electronics (Xiamen) Corporation	TOKIN Corporation	b.	Receivables from related parties	254,184	Net 80 days	-
		TOKIN Corporation	b.	Sales	1,242,508	Net 80 days	1
		TOKIN Electronics (Vietnam) Co., Ltd.	c.	Sales	247,308	T/T 50 days	-
39	TOKIN Electronics (Vietnam) Co., Ltd.	TOKIN Corporation	b.	Receivables from related parties	417,136	Net 50 days	-
		TOKIN Corporation	b.	Sales	2,553,560	Net 50 days	2
40	TOKIN Electronics (Thailand) Co., Ltd.	TOKIN Corporation	b.	Receivables from related parties	717,957	T/T 80 days	-
		TOKIN Corporation	b.	Sales	2,963,698	T/T 80 days	3
41	Chilisin Electronics Corp.	Chilisin Electronics (Vietnam) Limited company	a.	Sales	275,046	T/T 120 days	-
		Pulse Electronics (Singapore) Pte. Ltd.	c.	Receivables from related parties	525,112	T/T 120 days	-
		Pulse Electronics (Singapore) Pte. Ltd.	c.	Sales	617,482	T/T 120 days	1
42	Chilisin International Ltd.	Chilisin Electronics Corp.	b.	Receivables from related parties	1,498,106	T/T 120 days	1
		Dongguan Chilisin Electronics Co., Ltd.	a.	Receivables from related parties	524,934	T/T 120 days	-
43	Hunan Chilisin Electronics Technology Co., Ltd.	Chilisin International Ltd.	b.	Receivables from related parties	136,515	T/T 120 days	-
		Chilisin Electronics Corp.	b.	Receivables from related parties	427,179	T/T 120 days	-
		Mag. Layers International Co., Ltd.	c.	Receivables from related parties	263,930	T/T 120 days	-
		Chilisin International Ltd.	b.	Sales	334,809	T/T 120 days	-
		Chilisin Electronics Corp.	b.	Sales	680,584	T/T 120 days	1
		Dongguan Chilisin Electronics Co., Ltd.	c.	Sales	420,822	T/T 120 days	-
		Mag. Layers International Co., Ltd.	c.	Sales	508,650	T/T 120 days	-
		Shenzhen Chilisin Electronics Co., Ltd.	c.	Sales	107,075	T/T 120 days	-
44	Shenzhen Chilisin Electronics Co., Ltd.	Mag. Layers International Co., Ltd.	c.	Receivables from related parties	145,349	T/T 120 days	-
		Mag. Layers International Co., Ltd.	c.	Sales	267,866	T/T 120 days	-
45	Dongguan Chilisin Electronics Co., Ltd.	Chilisin Electronics Corp.	b.	Receivables from related parties	564,726	T/T 120 days	-
		Mag. Layers International Co., Ltd.	c.	Receivables from related parties	885,755	T/T 120 days	-
		Chilisin International Ltd.	b.	Sales	644,010	T/T 120 days	1
		Chilisin Electronics Corp.	b.	Sales	1,328,472	T/T 120 days	1

(Continued)

No.	Company Name	Counterparty	Nature of Relationship (Note 1)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets
46	Chilisin Electronics (Vietnam) Limited company	Shenzhen Chilisin Electronics Co., Ltd.	c.	Receivables from related parties	$ 168,113	T/T 120 days	-
		Chilisin International Ltd.	b.	Sales	267,299	T/T 120 days	-
		Chilisin Electronics Corp.	b.	Sales	495,595	T/T 120 days	-
		Dongguan Chilisin Electronics Co., Ltd.	c.	Sales	389,307	T/T 120 days	-
		Shenzhen Chilisin Electronics Co., Ltd.	c.	Sales	460,730	T/T 120 days	-
47	Deyang Bothhand Electronics Co., Ltd.	Mianyang Pulse Electronics Co., Ltd.	c.	Receivables from related parties	108,101	T/T 120 days	-
		Bothhand Enterprise Inc.	b.	Sales	1,158,505	T/T 120 days	1
		Mianyang Pulse Electronics Co., Ltd.	c.	Sales	189,713	T/T 120 days	-
48	Deyang Hongyi Electronics Co., Ltd.	Deyang Bothhand Electronics Co., Ltd.	b.	Sales	205,305	T/T 120 days	-
49	Bothhand Enterprise Inc.	Mianyang Pulse Electronics Co., Ltd.	c.	Sales	154,549	T/T 120 days	1
50	Shin Yuan Electronics Productions (Kunshan) Co., Ltd	Mag. Layers International Co., Ltd.	b.	Sales	100,411	T/T 120 days	-
		Hunan Chilisin Electronics Technology Co., Ltd.	c.	Sales	193,266	T/T 120 days	-
51	Mag. Layers Scientific-Technics Co., Ltd.	MAG.Layers U.S.A. Inc	a.	Sales	207,508	T/T 120 days	-
52	Mag. Layers International Co., Ltd.	Mag. Layers Scientific-Technics Co., Ltd.	b.	Receivables from related parties	608,903	T/T 120 days	-
		Suining Pulse Electronics Co., Ltd.	c.	Receivables from related parties	199,459	T/T 120 days	-
		Shin Yuan Electronics Productions (Kunshan) Co., Ltd	a.	Receivables from related parties	428,912	T/T 120 days	-
		Mag. Layers Scientific-Technics Co., Ltd.	b.	Sales	1,502,966	T/T 120 days	1
		Suining Pulse Electronics Co., Ltd.	c.	Sales	501,171	T/T 120 days	-
		Dongguan Chilisin Electronics Co., Ltd.	c.	Sales	126,854	T/T 120 days	-
53	Magic Electronic Technology (Chongqing) Co., Ltd.	Magic Technology Co., Ltd.	b.	Receivables from related parties	303,644	T/T 120 days	-
		Magic Technology Co., Ltd.	b.	Sales	317,987	T/T 120 days	-
		Class Magic Development Limited	c.	Sales	128,837	T/T 120 days	-
54	Ferroxcube Polska Sp. Z.o.o.	Ferroxcube International Holding B.V.	b.	Sales	570,602	T/T 120 days	-
		Ferroxcube Electronics (Dongguan) Limited	c.	Sales	201,780	T/T 120 days	-
55	Ferroxcube Hong Kong Limited	Ferroxcube Electronics (Dongguan) Limited	a.	Sales	374,534	T/T 120 days	-
56	Ferroxcube Electronics (Dongguan) Limited	Ferroxcube Hong Kong Limited	b.	Receivables from related parties	102,809	T/T 120 days	-
		Ferroxcube Hong Kong Limited	b.	Sales	374,525	T/T 120 days	-
		Ferroxcube Polska Sp. Z.o.o.	c.	Sales	201,780	T/T 120 days	-

Note 1: The flow of related-party transactions is as follows:

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

Note 2: The intercompany transactions have been eliminated on consolidation.

(Concluded)

TABLE 11

YAGEO CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022

Shareholders	Shares	
	Total Shares Owned	Ownership Percentage
Tie-Min Chen	29,589,231	7.02
CTBC Bank as Custodian for PRC Holding Limited	27,900,000	6.61
CTBC Bank as Custodian for Dominant Investment Holdings Ltd.	27,850,961	6.60

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

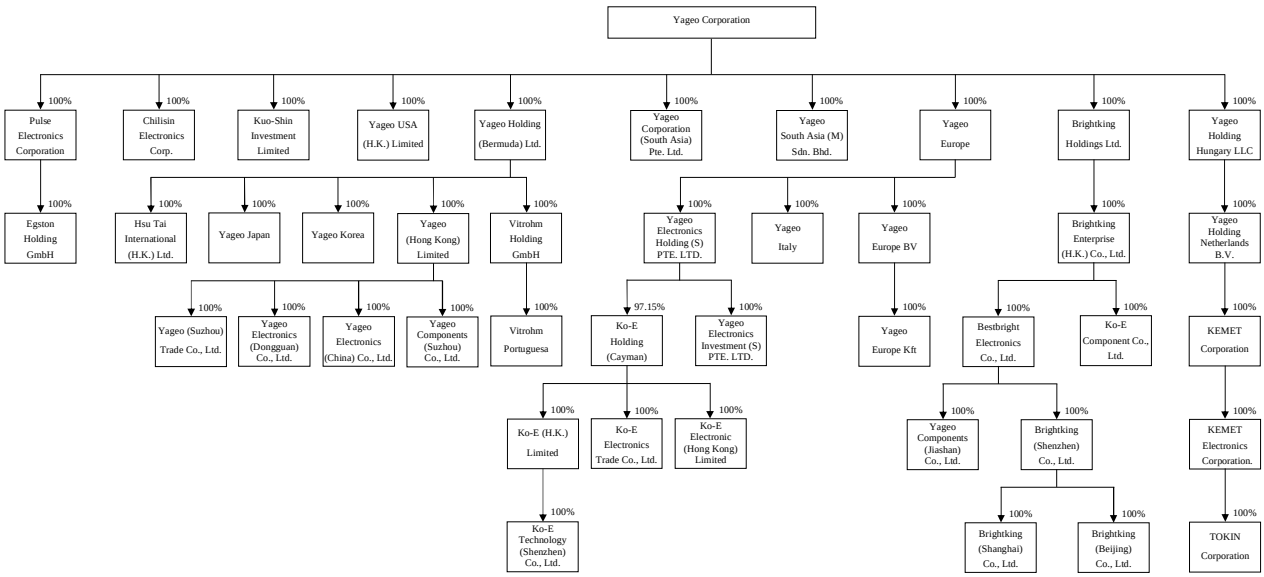
Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, refer to Market Observation Post System.

TABLE 12

YAGEO CORPORATION AND SUBSIDIARIES

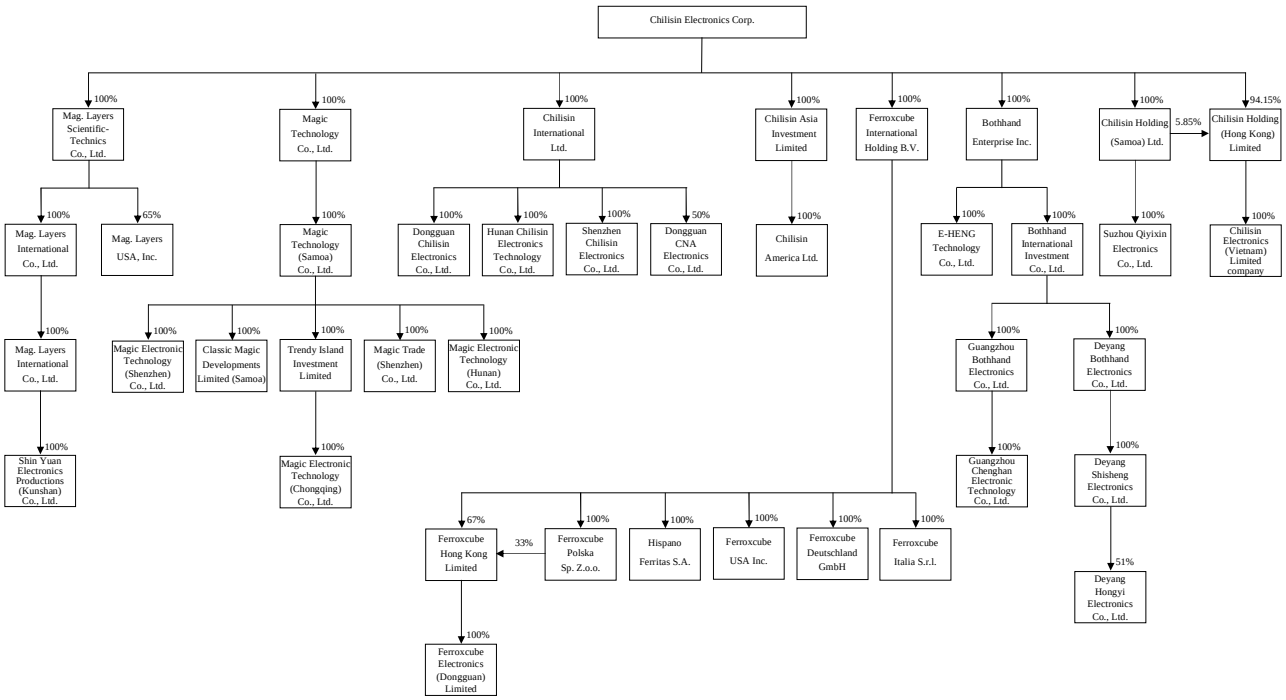
THE GROUP'S ORGANIZATION CHART
DECEMBER 31, 2022 AND 2021

2022



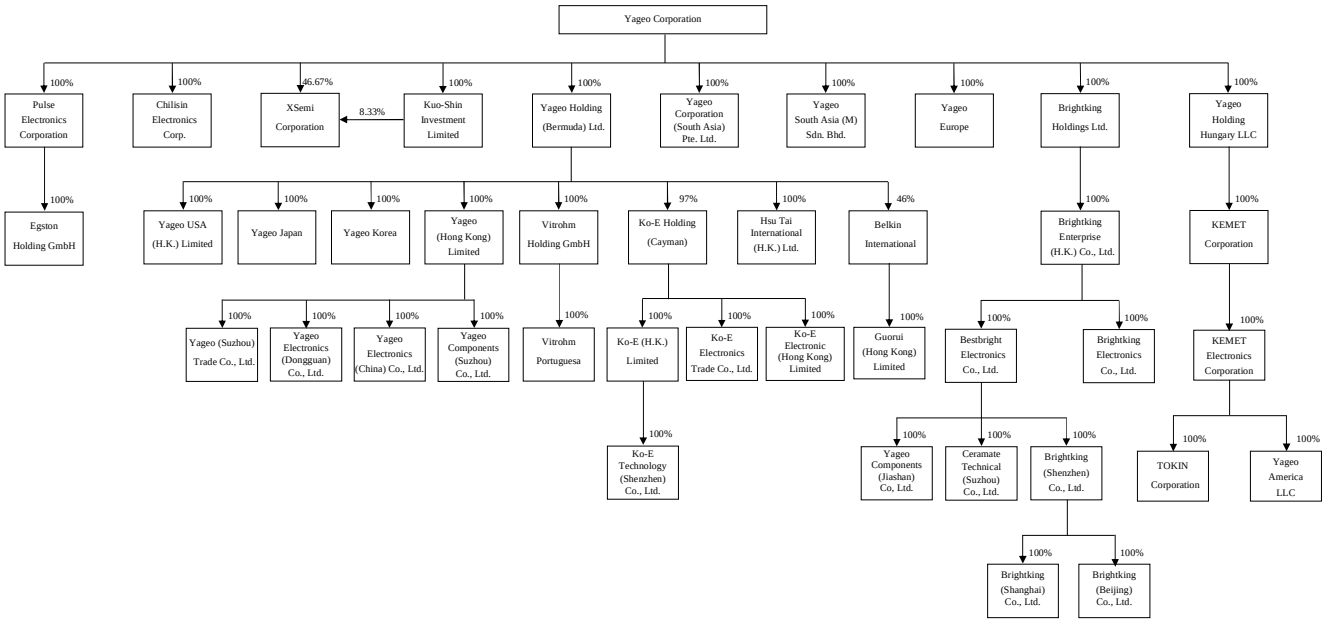
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2022



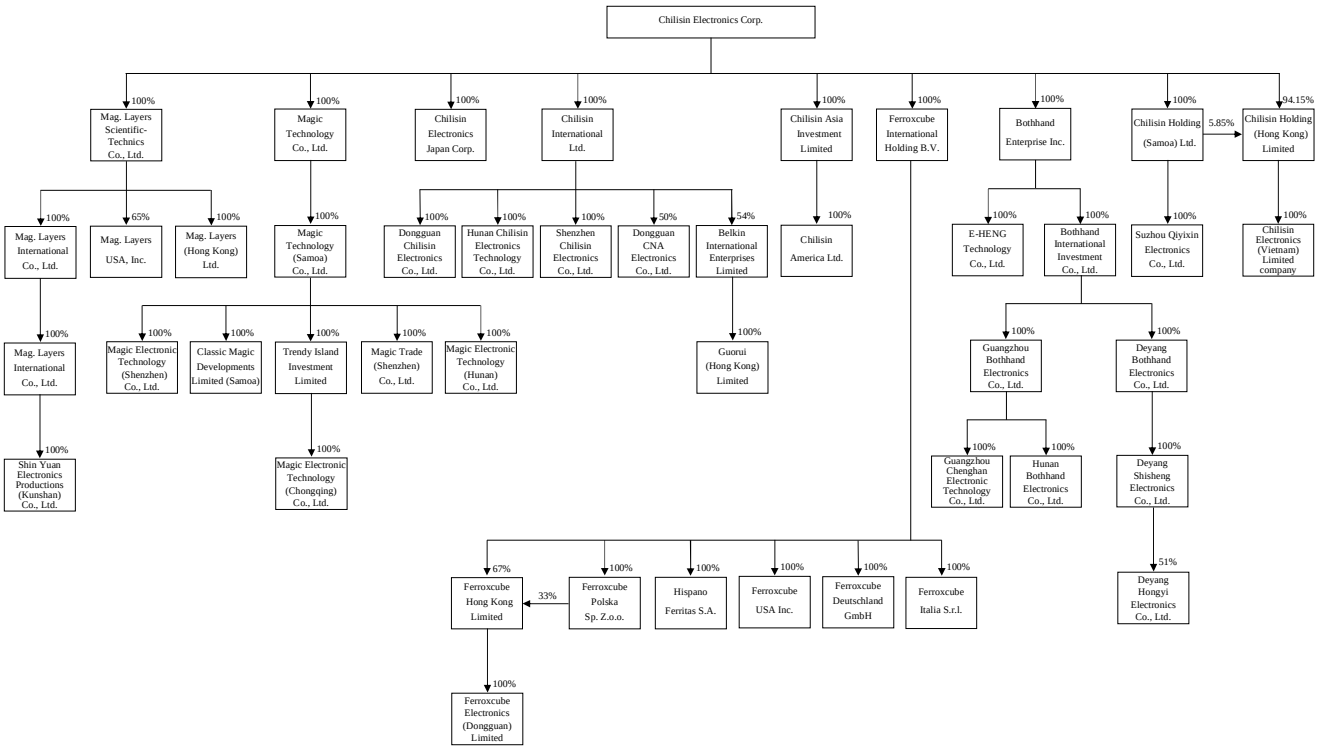
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2021



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2021


Chilisin Electronics Corp.
100%
Mag. Layers Scientific-Technics Co., Ltd.
100%
Magic Technology Co., Ltd.
100%
Chilisin Electronics Japan Corp.
100%
Chilisin International Ltd.
100%
Chilisin Asia Investment Limited
100%
Ferroxcube International Holding B.V.
100%
Bothhand Enterprise Inc.
100%
Chilisin Holding (Samoa) Ltd.
5.85%
94.15%
Chilisin Holding (Hong Kong) Limited
100%
Mag. Layers International Co., Ltd.
65%
Mag. Layers USA, Inc.
100%
Mag. Layers (Hong Kong) Ltd.
100%
Magic Technology (Samoa) Co., Ltd.
100%
Dongguan Chilisin Electronics Co., Ltd.
100%
Hunan Chilisin Electronics Technology Co., Ltd.
100%
Shenzhen Chilisin Electronics Co., Ltd.
50%
Dongguan CNA Electronics Co., Ltd.
54%
Belkin International Enterprises Limited
100%
Chilisin America Ltd.
100%
E-HENG Technology Co., Ltd.
100%
Bothhand International Investment Co., Ltd.
100%
Suzhou Qiyixin Electronics Co., Ltd.
100%
Chilisin Electronics (Vietnam) Limited company
100%
Mag. Layers International Co., Ltd.
100%
Magic Electronic Technology (Shenzhen) Co., Ltd.
100%
Classic Magic Developments Limited (Samoa)
100%
Trendy Island Investment Limited
100%
Magic Trade (Shenzhen) Co., Ltd.
100%
Magic Electronic Technology (Hunan) Co., Ltd.
100%
Guorui (Hong Kong) Limited
100%
Guangzhou Bothhand Electronics Co., Ltd.
100%
Deyang Bothhand Electronics Co., Ltd.
100%
Shin Yuan Electronics Productions (Kunshan) Co., Ltd.
100%
Magic Electronic Technology (Chongqing) Co., Ltd.
100%
Guangzhou Chenghan Electronic Technology Co., Ltd.
100%
Hunan Bothhand Electronics Co., Ltd.
100%
Deyang Shisheng Electronics Co., Ltd.
67%
Ferroxcube Hong Kong Limited
33%
100%
Ferroxcube Polska Sp. Z.o.o.
100%
Hispano Ferritas S.A.
100%
Ferroxcube USA Inc.
100%
Ferroxcube Deutschland GmbH
100%
Ferroxcube Italia S.r.l.
51%
Deyang Hongyi Electronics Co., Ltd.
100%
Ferroxcube Electronics (Dongguan) Limited

Attachment II

Yageo Corporation

Financial Statements for the
Years Ended December 31, 2022 and 2021 and
Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Yageo Corporation

Opinion

We have audited the accompanying financial statements of Yageo Corporation (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, based on our audits and the reports of other auditors (refer to the other matter paragraph below), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the financial statements for the year ended December 31, 2022 is as follows:

Occurrence of Sales Revenue from Customers

The primary source of revenue of the Company comes from the sales of passive electronic components. The operating revenue in 2022 from specific customers is significant to the financial statements and is one of the evaluation criteria to measure the operating performance of the Company; therefore, we considered sales authenticity relating to the operating revenue of these specific customers as a key audit matter for the annual audit.

Refer to Note 4 to the financial statements for accounting policies. Our audit procedures for the aforementioned key audit matter are described as follows:

1. We obtained an understanding of the processes of internal controls related to revenue recognition and evaluated the design, implementation, and operating effectiveness of internal controls over revenue recognition.

2. We made an inquiry on specific customers' public information and official websites and assessed the reasonableness of customers' credit lines based on their scale and authenticity.

3. We obtained details of sales to specific customers and validated the details against the supporting documents, including sales orders, delivery orders, invoices, and receipt documents; we verified that the control of merchandise has been transferred to customers and the payments have been received.

Other Matter

As described in Note 12 to the accompanying financial statements, we did not audit the financial statements of some investees accounted for using the equity method. The financial statements of the aforementioned investees accounted for using the equity method were audited by other auditors; our opinion, insofar as it relates to the related amounts included herein, is based solely on the reports of other auditors. The total investments in these investees accounted for using the equity method were NT$2,844,814 thousand, representing 1.15%, and NT$2,896,749 thousand, representing 1.56%, of the Company's total assets as of December 31, 2022 and 2021, respectively, and the amounts of the Company's share of profit of such associates were NT$362,313 thousand, representing 1.51%, and NT$1,072,498 thousand, representing 4.25%, of the Company's profit before income tax for the years ended December 31, 2022 and 2021, respectively.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Yung-Hsiang Chao and Ching-Hsia Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 14, 2023

Notice to Readers

The accompanying financial statements are intended only to present the 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 audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying 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' report and financial statements shall prevail.

YAGEO CORPORATION

BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022		2021 (Audited after Restatement)	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 7,534,435	3	$ 8,150,777	4
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	564,639	-	405,741	-
Financial assets at amortized cost - current (Notes 4 and 9)	1,535,400	1	1,816,805	1
Trade receivables (Notes 4 and 10)	503,734	-	935,404	1
Trade receivables from related parties (Notes 4 and 27)	2,479,661	1	4,764,490	3
Other receivables	342,332	-	106,540	-
Other receivables from related parties (Notes 4 and 27)	50,357	-	25,861	-
Inventories (Notes 4 and 11)	5,750,957	3	4,096,737	2
Prepayments	297,817	-	95,706	-
Other current assets	6,110	-	260	-
Total current assets	19,065,442	8	20,398,321	11
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	173,965	-	801	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	461,741	-	447,604	-
Financial assets at amortized cost - non-current (Notes 4 and 9)	2,351,862	1	1,466,369	1
Investments accounted for using the equity method (Notes 4, 5 and 12)	208,093,366	84	150,374,302	81
Property, plant and equipment (Notes 4, 5, 13 and 28)	14,243,437	6	9,228,885	5
Goodwill (Notes 4, 5 and 14)	109,643	-	109,643	-
Other intangible assets	100,392	-	114,439	-
Deferred tax assets (Notes 4 and 21)	1,800,133	1	3,548,263	2
Refundable deposits	25,166	-	8,763	-
Other non-current assets	60,309	-	78,309	-
Total non-current assets	227,420,014	92	165,377,378	89
TOTAL	$ 246,485,456	100	$ 185,775,699	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 15)	$ 9,872,320	4	$ 20,863,300	11
Short-term bills payable (Note 15)	28,075,967	12	19,978,155	11
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	193,016	-	41,192	-
Contract liabilities - current (Note 27)	2,769,587	1	3,554,854	2
Notes payable	851	-	4,676	-
Trade payables	1,578,103	1	1,975,432	1
Trade payables to related parties (Note 27)	2,723,030	1	4,846,147	3
Other payables to related parties (Note 27)	17,424	-	104,487	-
Other payables (Note 17)	14,214,529	6	7,059,069	4
Current tax liabilities (Notes 4 and 21)	2,987,156	1	2,444,246	1
Current portion of long-term borrowings and bonds payable (Notes 15 and 16)	7,741,072	3	-	-
Other current liabilities	38,466	-	75,273	-
Total current liabilities	70,211,521	29	60,946,831	33
NON-CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - non-current (Notes 4 and 7)	-	-	13	-
Bonds payable (Note 16)	14,486,301	6	15,155,362	8
Long-term borrowings (Notes 15 and 28)	27,931,243	11	20,161,908	11
Deferred tax liabilities (Notes 4 and 21)	87,780	-	-	-
Long-term payables to related parties (Note 27)	12,283,200	5	9,691,500	5
Net defined benefit liabilities (Notes 4 and 18)	140,928	-	179,410	-
Guarantee deposits received	126	-	126	-
Total non-current liabilities	54,929,578	22	45,188,319	24
Total liabilities	125,141,099	51	106,135,150	57
EQUITY				
Share capital				
Ordinary shares	4,212,608	2	4,959,189	3
Bond conversion entitlement certificates	1,934	-	-	-
Total share capital	4,214,542	2	4,959,189	3
Capital surplus				
Issuance of ordinary shares	41,250,842	17	20,221,583	11
From share of changes in capital surplus of associates	151,159	-	1,574,490	1
Equity component of convertible bonds issued by the Company	277,878	-	252,844	-
Total capital surplus	41,679,879	17	22,048,917	12
Retained earnings				
Legal reserve	10,694,034	4	8,621,366	5
Special reserve	9,911,736	4	4,594,931	2
Unappropriated earnings	56,678,721	23	50,545,451	27
Total retained earnings	77,284,491	31	63,761,748	34
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(421,272)	-	(9,753,973)	(5)
Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income	(14,098)	-	81,021	-
Gain on hedging instruments	631,535	-	198,811	-
Total other equity	196,165	-	(9,474,141)	(5)
Treasury shares	(2,030,720)	(1)	(1,879,155)	(1)
Equity attributable to former owner of business combination under common control	-	-	223,991	-
Total equity	121,344,357	49	79,640,549	43
TOTAL	$ 246,485,456	100	$ 185,775,699	100

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

(With Deloitte & Touche auditors' report dated March 14, 2023)

YAGEO CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021 (Audited after Restatement)	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 27)				
Net sales	$ 27,429,808	100	$ 40,223,628	100
OPERATING COSTS (Notes 4, 11, 20 and 27)				
Cost of goods sold	22,213,179	81	29,971,952	75
GROSS PROFIT	5,216,629	19	10,251,676	25
UNREALIZED LOSS ON TRANSACTIONS WITH SUBSIDIARIES (Note 4)	(45,447)	-	(27,507)	-
REALIZED GROSS PROFIT	5,171,182	19	10,224,169	25
OPERATING EXPENSES (Notes 4, 20 and 27)				
Selling and marketing expenses	524,337	2	657,062	1
General and administrative expenses	2,602,336	9	2,086,956	5
Research and development expenses	256,210	1	261,394	1
Expected credit gain (loss) (Notes 4 and 10)	(2,978)	-	3,688	-
Total operating expenses	3,379,905	12	3,009,100	7
PROFIT FROM OPERATIONS	1,791,277	7	7,215,069	18
NON-OPERATING INCOME AND EXPENSES				
Finance costs (Notes 4, 20 and 27)	(794,042)	(3)	(613,907)	(1)
Share of profit of subsidiaries and associates	22,330,071	81	18,421,503	46
Interest income (Notes 4 and 27)	348,690	1	133,158	-
Rental income (Notes 4 and 27)	14,228	-	10,212	-
Net gain (loss) on financial instruments at fair value through profit or loss	948,872	4	(98,066)	-
Other gains and losses (Note 20)	(621,615)	(2)	185,986	-
Total non-operating income and expenses	22,226,204	81	18,038,886	45
PROFIT BEFORE INCOME TAX	24,017,481	88	25,253,955	63
INCOME TAX EXPENSE (Notes 4 and 21)	1,285,771	5	2,410,842	6
NET PROFIT FOR THE YEAR	22,731,710	83	22,843,113	57

(Continued)

YAGEO CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021 (Audited after Restatement)	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 18)	$ 33,584	-	$ 17,952	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Notes 4 and 19)	(39,649)	-	1,404	-
Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method	208,875	1	113,001	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 21)	(6,717)	-	(3,590)	-
	196,093	1	128,767	-
Items that may be reclassified subsequently to profit or loss:				
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method (Notes 4 and 19)	13,054,131	48	(6,525,208)	(16)
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4 and 21)	(2,336,031)	(9)	1,272,135	3
	10,718,100	39	(5,253,073)	(13)
Other comprehensive income (loss) for the year, net of income tax	10,914,193	40	(5,124,306)	(13)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 33,645,903	123	$ 17,718,807	44
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 22,730,465	83	$ 22,902,546	57
Former owner of business combination under common control	1,245	-	(59,433)	-
	$ 22,731,710	83	$ 22,843,113	57

(Continued)

YAGEO CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021 (Audited after Restatement)	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 33,644,658	123	$ 17,792,056	44
Former owner of business combination under common control	1,245	-	(73,249)	-
	$ 33,645,903	123	$ 17,718,807	44
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 22)				
Basic	$ 44.22		$ 46.13	
Diluted	$ 43.21		$ 44.85	

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

(With Deloitte & Touche auditors' report dated March 14, 2023) (Concluded)

YAGEO CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owner of the Company														
	Capital (Note 19)								Other Equity (Note 19)						
	Ordinary Shares	Capital Collected in Advance	Bond Conversion Entitlement Certificates	Total	Capital Surplus (Notes 19 and 23)	Retained Earnings (Note 19) Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Total	Treasury Shares (Note 19)	Equity Attributable to Former Owner of Business Combination Under Common Control (Note 19)	Total Equity
BALANCE, JANUARY 1, 2021	$ 4,969,433	$ 408	$ -	$ 4,969,841	$ 23,099,157	$ 7,331,396	$ 2,945,827	$ 36,725,189	$ 47,002,412	$ (4,665,523)	$ 71,291	$ 350,307	$ (4,243,925)	$ (2,421,552)	$ -	$ 68,405,933
Retrospective restatement of business combinations under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	99,243	99,243
BALANCE AT JANUARY 1, 2021 AFTER RESTATEMENT	4,969,433	408	-	4,969,841	23,099,157	7,331,396	2,945,827	36,725,189	47,002,412	(4,665,523)	71,291	350,307	(4,243,925)	(2,421,552)	99,243	68,505,176
Appropriation of the 2020 earnings																
Legal reserve	-	-	-	-	-	1,289,970	-	(1,289,970)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	1,649,104	(1,649,104)	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	(3,967,351)	(3,967,351)	-	-	-	-	-	-	(3,967,351)
Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(23,405)	(23,405)
Changes from investments in subsidiaries and associates accounted for by using equity method	-	-	-	-	(6,874)	-	-	(10,116)	(10,116)	-	-	-	-	-	221,402	204,412
Issuance of cash dividends from capital surplus	-	-	-	-	(991,838)	-	-	-	-	-	-	-	-	-	-	(991,838)
Net profit for the year ended December 31, 2021	-	-	-	-	-	-	-	22,902,546	22,902,546	-	-	-	-	-	(59,433)	22,843,113
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	-	116,762	116,762	(5,088,450)	12,694	(151,496)	(5,227,252)	-	(13,816)	(5,124,306)
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,879,155)	-	(1,879,155)
Cancelation of treasury shares	(29,650)	-	-	(29,650)	(106,433)	-	-	(2,285,469)	(2,285,469)	-	-	-	-	2,421,552	-	-
Recognition of employee share options by the Company	19,406	(408)	-	18,998	54,905	-	-	-	-	-	-	-	-	-	-	73,903
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	2,964	2,964	-	(2,964)	-	(2,964)	-	-	-
BALANCE AT DECEMBER 31, 2021	4,959,189	-	-	4,959,189	22,048,917	8,621,366	4,594,931	50,545,451	63,761,748	(9,753,973)	81,021	198,811	(9,474,141)	(1,879,155)	223,991	79,640,549
Appropriation of the 2021 earnings																
Legal reserve	-	-	-	-	-	2,072,668	-	(2,072,668)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	5,316,805	(5,316,805)	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	(5,400,560)	(5,400,560)	-	-	-	-	-	-	(5,400,560)
Changes from investments in subsidiaries and associates accounted for by using equity method	-	-	-	-	(5,854)	-	-	-	-	-	-	-	-	-	-	(5,854)
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	-	22,730,465	22,730,465	-	-	-	-	-	1,245	22,731,710
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	-	293,794	293,794	10,285,376	(97,701)	432,724	10,620,399	-	-	10,914,193
Capital reduction	(1,080,112)	-	-	(1,080,112)	73	-	-	(365,145)	(365,145)	-	-	-	-	385,545	-	(1,059,639)
Restructing	477,793	-	-	477,793	20,691,277	-	-	-	-	(952,675)	1,993	-	(950,682)	(537,110)	(225,236)	19,456,042
Convertible bonds converted to ordinary shares	3,578	-	1,934	5,512	233,971	-	-	-	-	-	-	-	-	-	-	239,483
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,172,415)	-	(5,172,415)
Cancelation of treasury shares	(147,880)	-	-	(147,880)	(1,289,313)	-	-	(3,735,222)	(3,735,222)	-	-	-	-	5,172,415	-	-
Recognition of employee share options by the Company	40	-	-	40	808	-	-	-	-	-	-	-	-	-	-	848
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	(589)	(589)	-	589	-	589	-	-	-
BALANCE AT DECEMBER 31, 2022	$ 4,212,608	$ -	$ 1,934	$ 4,214,542	$ 41,679,829	$ 10,694,034	$ 9,911,736	$ 56,670,721	$ 77,284,491	$ (421,272)	$ (14,098)	$ 631,535	$ 196,165	$ (2,030,720)	$ -	$ 121,344,357

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

(With Deloitte & Touche auditors' report dated March 14, 2023)

YAGEO CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021 (Audited after Restatement)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 24,017,481	$ 25,253,955
Adjustments for		
Expected credit loss recognized (reversed) on trade receivables	(2,978)	3,688
Depreciation expense	1,226,631	1,104,437
Amortization expense	26,983	51,072
Amortization of prepayments	9,410	9,410
Net loss (gain) on fair value change of financial assets and liabilities at fair value through profit or loss	(948,872)	98,066
Finance costs	794,042	613,907
Interest income	(348,690)	(133,158)
Dividend income	(9,197)	-
Share of profit of subsidiaries and associates	(22,330,071)	(18,421,503)
Net gain on disposal of property, plant and equipment	(1,293)	(1,435)
Loss on disposal of subsidiaries	(42,883)	-
Write-down of inventories	33,720	-
Reversal of write-downs of inventories	-	(28,164)
Unrealized loss on the transactions with subsidiaries	45,447	27,507
Net loss (gain) on foreign currency exchange	1,017,764	(169,730)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	585,336	(150,313)
Trade receivables	434,103	(133,635)
Trade receivables of related parties	2,286,195	840,526
Other receivables	(198,229)	(17,949)
Other receivables of related parties	83,622	157,775
Inventories	(1,687,940)	(1,616,495)
Prepayments	(128,558)	(14,735)
Other current assets	(5,850)	3,841
Contract liabilities	(709,270)	254,836
Notes payable	(3,825)	(684)
Trade payables	437,393	492,261
Trade payables of related parties	(2,140,902)	(644,386)
Other payables	3,805,206	1,938,108
Other payables of related parties	(41,456)	(9,067)
Other current liabilities	(36,807)	43,922
Net defined benefit liabilities	(4,898)	(5,095)
Cash generated from operations	6,161,614	9,546,962
Interest received	104,580	29,147
Dividend received	9,197	-
Interest paid	(551,210)	(472,800)
Income tax paid	(1,249,699)	(1,163,469)
Net cash generated from operating activities	4,474,482	7,939,840

(Continued)

YAGEO CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021 (Audited after Restatement)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	$ (53,786)	$ (446,200)
Purchase of financial assets at amortized cost	(2,958,691)	(2,832,310)
Proceeds from sale of financial assets at amortized cost	2,534,382	5,931,000
Purchase of financial assets at fair value through profit or loss	(130,000)	(313,285)
Proceeds from sale of financial assets at fair value through profit or loss	313,285	-
Proceeds from capital reduction of subsidiaries	-	1,386,750
Capital additions of subsidiaries and associates	(2,495,150)	(4,750,250)
Proceeds from capital reduction of associates	16,250	-
Payments for property, plant and equipment	(3,815,327)	(2,287,128)
Proceeds from disposal of property, plant and equipment	1,361	51,331
Increase in refundable deposits	(16,403)	(558)
Other receivables of related parties	-	5,998,190
Payments for intangible assets	(95,773)	(87,967)
Decrease in other non-current assets	-	1,100
Dividends received from subsidiaries and associates	52,258	66,687
Net cash generated from (used in) investing activities	(6,647,594)	2,717,360
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(10,994,800)	(12,029,242)
Proceeds from short-term bills payable	8,000,851	19,478,250
Proceeds from issuance of convertible bonds	4,494,395	9,986,550
Proceeds from long-term borrowings	62,810,784	16,613,410
Repayments of long-term borrowings	(52,504,200)	(31,099,999)
Other payables to related parties	1,393,750	(83,000)
Dividends paid to owners of the Company	(5,400,494)	(4,959,147)
Reduction of capital	(1,071,949)	-
Proceeds from employee share options	848	73,903
Payments for buyback of treasury shares	(5,172,415)	(1,879,155)
Net cash generated (used in) from financing activities	1,556,770	(3,898,430)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(616,342)	6,758,770
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	8,150,777	1,392,007
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 7,534,435	$ 8,150,777

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

(With Deloitte & Touche auditors' report dated March 14, 2023) (Concluded)

1. GENERAL INFORMATION

Yageo Corporation (the "Company") was incorporated in 1987 in the Republic of China (ROC). The Company's shares are traded on the Taiwan Stock Exchange. The Company mainly manufactures and sells passive components.

In 2018, the Company acquired 100% equity interest of Brightking Holdings Limited and Pulse Electronics Corporation in a cash settlement amounting to NT$3,328,253 thousand and US$721,461 thousand, respectively. In June 2020, the Company acquired 100% equity interest of KEMET Corporation in a cash settlement amounting to US$1,636,052 thousand.

In June and September 2021, the board of directors and shareholders of the Company, respectively, resolved in their meeting to acquire 100% of the interest of Chilisin Electronics Corp. in a share exchange agreement. The estimated exchange ratio was 0.2002 ordinary shares of the Company for 1 ordinary share of Chilisin Electronics Corp. After the share exchange, Chilisin Electronics Corp. became a 100%-owned subsidiary of the Company and terminated its listing. The transaction was completed in January 2022, and the Company issued 47,779 thousand ordinary shares.

The financial statements of the Company are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company's board of directors on March 14, 2023.

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

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

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

   1) Amendments to IFRS 3 "Reference to the Conceptual Framework"

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

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

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

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

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

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

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

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

1) Amendments to IAS 1 “Disclosure of Accounting Policies”

The amendments specify that the Company should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

– Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

– The Company may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and

– Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

a) the Company changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

b) the Company chose the accounting policy from options permitted by the standards;

c) the accounting policy was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS that specifically applies;

d) the accounting policy relates to an area for which the Company is required to make significant judgements or assumptions in applying an accounting policy, and the Company discloses those judgements or assumptions; or

e) the accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

2) Amendments to IAS 8 "Definition of Accounting Estimates"

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Company may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Company uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

3) Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporary differences arise on initial recognition. The Company will recognize a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations on January 1, 2022, and recognize the cumulative effect of initial application in retained earnings at that date. The Company will apply the amendments prospectively to transactions other than leases and decommissioning obligations that occur on or after January 1, 2022.

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

c. The IFRSs 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 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

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

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

1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

   The amendments stipulate that, when the Company sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Company loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

   Conversely, when the Company sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e., the Company's share of the gain or loss is eliminated. Also, when the Company loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e., the Company's share of the gain or loss is eliminated.

2) Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (referred to as the "2020 amendments") and "Non-current Liabilities with Covenants" (referred to as the "2022 amendments")

   The 2020 amendments clarify that for a liability to be classified as non-current, the Company ability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Company will exercise that right.

   The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Company must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Company shall disclose information that enables users of financial statements to understand the risk of the Group that may have difficulty complying with the covenants and repay its liabilities within twelve months after the reporting period.

   The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Company's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Company's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The parent company only 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 an 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 an asset or liability.

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Business combinations under common control

Business combinations under common control are accounted for applying the book-value method. Comparative information of the prior period in the consolidated financial statements is restated as if the combination had already occurred.

The Company acquired an associate in an organizational restructuring within the Group due to economic substance, which shall be regarded as a combination from the beginning, and the Company restated the financial statements for the prior period. In preparing the comparative balance sheet and the comparative statement of changes in equity, the equity held by the original shareholders of the associate was attributable to "Equity attributable to the former owner of business combination under common control". In preparing the comparative income statement, the profit or loss recognized by the original shareholders of the associate was attributable to "Former owner of business combination under common control".

e. Foreign currencies

In preparing the Company's financial statements, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise except for exchange differences on:

Monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investments.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting the financial statements, the functional currencies of the Company's foreign operations (including subsidiaries and associates in other countries that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

f. Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

g. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity (including a structured entity) that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full only in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

h. Investments in associates

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Company uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of the equity of associates.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Company's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses, if any. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture, the Company continues to apply the equity method and does not remeasure the retained interest.

When the Company transacts with its associate, profits and losses resulting from the transactions with the associate is recognized in the Company's financial statements only to the extent of interests in the associate is not related to the Company.

i. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Company disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

k. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

l. Impairment of property, plant and equipment, intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

m. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are included in the initially recognized amount of the financial assets or financial liabilities.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends, interest earned and remeasurement gains or losses on such financial assets are recognized in profit or loss. Fair value is determined in the manner described in Note 26: Financial instruments.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents and trade receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Company determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. When a financial asset is more than 180 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the following situations, all financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when such financial liabilities are held for trading.

Financial liabilities held for trading are stated at fair value, and any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any interest or dividends paid on such financial liability.

Fair value is determined in the manner described in Note 26.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

5) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, swap contracts and foreign exchange option contracts.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

n. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods comes from sales of passive components and other electronic components. Sales of passive components and other electronic components are recognized as revenue when the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

o. Lease

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. However, if leases transfer ownership of the underlying assets to the Company by the end of the lease terms or if the costs of right-of-use assets reflect that the Company will exercise a purchase option, the Company depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee’s incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

p. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur or when the plan amendment or curtailment occurs. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

r. Employee share options

Employee share options granted to employees and others providing similar services

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Company's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vested immediately. The grant date of treasury shares transferred to employees is the date on which the employees are informed.

At the end of each reporting period, the Company revises its estimate of the number of employee share options expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

s. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Act, an additional tax of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimations, 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 Company considers the possible impact of the recent development of the COVID-19 and the economic environment implications of the military conflict between Russia and Ukraine and related international sanctions when making its critical accounting estimates on cash flows, growth rates, discount rates, profitabilities, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Critical Accounting Judgments

Significant influence over associates

The Company has significant influence over an investee even though the Company holds less than 20% of the voting rights of the investee

As stated in Note 12, several companies are associates of the Company although the Company holds less than 20% of the voting rights of each of these companies. The Company has significant influence over these companies by virtue of the right to appoint and remove directors from the board of directors of these companies.

Key Sources of Estimation Uncertainty

a. Impairment of property, plant and equipment

The impairment of equipment in relation to the production of passive components was based on the recoverable amounts of the assets, which is the higher of its fair value less costs of disposal and its value in use. Any changes in the market prices, future cash flows or discount rates will affect the recoverable amount of the equipment and may lead to the recognition of additional impairment losses or the reversal of impairment losses.

b. Impairment of investments in subsidiaries

The Company immediately recognizes impairment losses on its net investment in a subsidiary when there is an indication that the investment may be impaired and the carrying amount may not be recoverable. The Company's management evaluates the impairment based on the estimated future cash flows expected to be generated by the associate, including assumptions on the growth rate of sales and the capacity of the production facilities as estimated by the associate's management. The Company also takes into consideration market conditions and industry development when evaluating the appropriateness of the relevant assumptions. Any changes in the market conditions, industry development and future cash flows will affect the recoverable amount of the investments and may lead to the recognition of additional impairment losses or the reversal of impairment losses.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	**2021**
Cash on hand	$ 205	$ 205
Checking accounts and demand deposits	7,534,230	8,138,726
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	-	11,846
	$ 7,534,435	$ 8,150,777

The market rate intervals of cash in the bank at the end of the year were as follows:

	December 31	
	2022	2021
Bank deposits	-	0.11%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2022	2021
Financial assets at fair value through profit or loss (FVTPL) - current		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts (a)	$ 418,110	$ 92,778
Swap contracts (b)	65,673	-
Cross-currency swap contracts (c)	80,856	-
Hybrid financial assets		
Structured deposits (d)	-	312,963
	$ 564,639	$ 405,741
Financial assets at FVTPL - non-current		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts (a)	$ -	$ 319
Swap contracts (b)	43,041	-
Non-derivative financial assets		
Domestic unlisted shares	482	482
Hybrid financial assets		
Credit-linked and interest-linked structured notes (e)	130,442	-
	$ 173,965	$ 801
Financial liabilities at FVTPL - current		
Financial liabilities mandatorily classified as at FVTPL		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts (a)	$ 160,694	$ 23,884
Cross-currency swap contracts (c)	-	14,615
Convertible options (Note 16)	32,322	2,693
	$ 193,016	$ 41,192
Financial liabilities at FVTPL - non-current		
Financial liabilities mandatorily classified as at FVTPL		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts (a)	$ -	$ 13

a. At the end of the year, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2022			
Buy	USD/NTD	2023.01.03-2023.11.17	USD200,000/NTD5,689,438
Buy	USD/RMB	2023.01.04-2023.04.06	USD74,971/RMB518,805
Buy	EUR/NTD	2023.04.06-2023.07.03	EUR40,000/NTD1,261,756
Sell	USD/NTD	2023.01.03-2023.06.21	USD90,000/NTD2,576,834
December 31, 2021			
Buy	USD/NTD	2022.01.28-2023.01.04	USD340,800/NTD9,263,512
Buy	USD/THB	2022.01.18	USD8,006/THB267,184
Sell	USD/RMB	2022.01.10-2023.01.04	USD124,793/RMB808,268
Sell	USD/HKD	2022.01.10	USD10,922/HKD85,000
Sell	USD/JPY	2022.01.11-2022.02.25	USD60,148/JPY6,871,431
Sell	USD/THB	2022.01.18	USD8,000/THB267,184

The Company entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

b. At the end of the reporting period, outstanding swap contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2022			
Buy	RMB/NTD	2023.01.04-2023.02.23	RMB224,000/NTD983,409
Buy	USD/NTD	2023.06.16-2024.03.29	USD50,000/NTD1,416,560
Buy	EUR/NTD	2023.03.31-2023.09.06	EUR18,000/NTD560,412

The Company entered into swap contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

c. At the end of the reporting period, outstanding cross-currency swap contracts not under hedge accounting were as follows:

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
December 31, 2022			
US$ 20,000	2023.03.07	0.60%	SOFR+0.55%
US$ 40,000	2023.08.18	1.32%	SOFR+0.60%
December 31, 2021			
US$ 40,000	2022.04.28	0.69%	3M Libor+0.55%
US$ 30,000	2022.10.28	0.58%	1M Libor+0.40%

The Company entered into cross-currency swap contracts to manage exposures to exchange rate and interest rate fluctuations of foreign currency denominated assets and liabilities.

d. Structured deposits

The Company entered into a dual currency structured time deposit contract with a bank. The structured time deposit contract includes a dual currency structured time deposit contract. The currency of the principal redeemed on such date will be determined based on the foreign exchange rate. The entire contract was assessed and classified mandatorily as at FVTPL since it contained a host that is an asset within the scope of IFRS 9.

e. Credit-linked and interest-linked structured notes

The Company entered into a structured notes contract with a bank. The structured notes contract includes an embedded derivative instrument which is not closely related to the host contract. The entire contract was assessed and classified mandatorily as at FVTPL since it contained a host that is an asset within the scope of IFRS 9.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2022	**2021**
Non-current		
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)	$ 461,741	$ 447,604

Investments in equity instruments at FVTOCI

	December 31	
	2022	**2021**
Non-current		
Domestic investments		
Listed shares and emerging market shares	$ 461,741	$ 447,604

These investments in equity instruments are held for medium- to long-term strategic purposes and expected to profit through long-term investments. 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 Company's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2022	2021
Current		
Domestic investments		
Time deposits with original maturities of more than 3 months (a)	$ 1,535,400	$ 1,601,690
Corporate bonds (b)	-	215,115
	$ 1,535,400	$ 1,816,805
Non-current		
Foreign investments		
Corporate bonds (b)	$ 2,351,862	$ 1,466,369

a. The ranges of interest rates for time deposits were approximately 2.10%-4.06% and 1.50%-3.08% per annum as of December 31, 2022 and 2021, respectively.

b. At the end of the year, corporate bonds bought by the Company were as follows:

December 31, 2022

Non-current

Period	Purchase Amount (In Thousands)	Coupon Rate	Rate of Effective Interest
June 2021	US$ 3,000	2.88%	1.90%
February to May 2021	RMB 16,200	3.05%-3.24%	3.05%-3.24%
April to November 2022	US$ 54,000	0.75%-3.10%	2.90%-7.39%

December 31, 2021

Current

Period	Purchase Amount (In Thousands)	Coupon Rate	Rate of Effective Interest
July 2021	RMB 50,000	-	2.85%

Non-current

Period	Purchase Amount (In Thousands)	Coupon Rate	Rate of Effective Interest
August 2017	US$ 8,000	3.25%-3.88%	2.93%-3.54%
October 2020	EUR 8,000	6.13%	2.51%
January to June 2021	US$ 10,200	2.88%-3.50%	1.90%-2.70%
February to May 2021	RMB 162,000	3.05%-3.24%	3.05%-3.24%

The Company invests only in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. The Company's exposure and the external credit ratings are continuously monitored. The Company reviews changes in bond yields and other publicly available information and makes an assessment whether there has been a significant increase in credit risk since the last period to the reporting date.

10. TRADE RECEIVABLES

	December 31	
	2022	**2021**
Trade receivables		
At amortized cost		
Gross carrying amount	$ 504,514	$ 939,162
Less: Allowance for impairment loss	(780)	(3,758)
	$ 503,734	$ 935,404

Trade Receivables

The average credit period of sales of goods was 30-90 days. No interest was charged on trade receivables. The Company adopted a policy of dealing with major customers that the Company could use other publicly available financial information or its own trading records to rate and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company'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 Company 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 Company 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 Company's credit risk was significantly reduced.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using an overdue aging ratio and individual customer evaluation method by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

The Company writes off a trade receivable when there is information 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 Company 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 aging of trade receivables was as follows:

	December 31	
	2022	2021
Current term	$ 448,822	$ 796,996
Past due		
1-60 days	54,319	117,562
61-90 days	1,373	21,816
91-180 days	-	2,788
	$ 504,514	$ 939,162

The above aging schedule was based on the past due days from end of credit term.

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

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 3,758	$ 70
Add: Net remeasurement of loss allowance	-	3,688
Less: Net remeasurement of loss allowance	(2,978)	-
Balance at December 31	$ 780	$ 3,758

11. INVENTORIES

	December 31	
	2022	2021
Finished goods and merchandise	$ 4,474,838	$ 2,690,872
Work in progress	313,931	401,408
Raw materials	836,194	972,061
Supplies	125,994	32,396
	$ 5,750,957	$ 4,096,737

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

	For the Year Ended December 31	
	2022	2021
Cost of inventories sold	$ 22,179,459	$ 30,000,116
Inventory write-downs (reversed)	33,720	(28,164)
	$ 22,213,179	$ 29,971,952

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2022	2021
Investments in subsidiaries	$ 205,879,901	$ 149,428,422
Investments in associates	2,213,465	945,880
	$ 208,093,366	$ 150,374,302

a. Investments in subsidiaries

	December 31	
	2022	2021
Yageo Holding Hungary LLC	$ 75,455,190	$ 56,380,415
Yageo Holding (Bermuda) Ltd. (3)	59,782,262	54,512,486
Pulse Electronics Corporation	33,363,203	26,606,194
Chilisin Electronics Corp. (2)	27,359,975	3,619,326
Yageo Europe Holding B.V.	4,239,558	2,834,885
Brightking Holdings Ltd.	3,199,289	3,176,316
Yageo USA (H.K.) Limited (3)	978,246	955,561
Yageo Corporation (South Asia) Pte. Ltd.	883,244	644,901
Ko-Shin Investment Limited	615,632	563,417
Yageo South Asia (M) Sdn. Bhd.	3,302	1,848
XSemi Corporation (1)	-	133,073
	$ 205,879,901	$ 149,428,422

	Proportion of Ownership and Voting Rights	
	December 31	
Name of Subsidiary	**2022**	**2021**
Yageo Holding Hungary LLC	100.00%	100.00%
Yageo Holding (Bermuda) Ltd. (3)	100.00%	100.00%
Pulse Electronics Corporation	100.00%	100.00%
Chilisin Electronics Corp. (2)	100.00%	100.00%
Yageo Europe Holding B.V.	100.00%	100.00%
Brightking Holdings Ltd.	100.00%	100.00%
Yageo USA (H.K.) Limited (3)	100.00%	100.00%
Yageo Corporation (South Asia) Pte. Ltd.	100.00%	100.00%
Ko-Shin Investment Limited	100.00%	100.00%
Yageo South Asia (M) Sdn. Bhd.	100.00%	100.00%
XSemi Corporation (1)	35.00%	46.67%

1) Although the Company's interest in XSemi Corporation was less than 50%, but the Company and its subsidiary owned over 50% of XSemi Corporation's interest; hence, the Company has control over XSemi Corporation. In June 2022, the Company and its subsidiary subscribed for additional new shares of XSemi Corporation at a percentage different from its existing ownership percentage, and reduced its continuing interest from 55% to 44%; thus, control of XSemi Corporation passed to the acquirer. For the details, refer to Note 29 to the Company's consolidated financial statements for the year ended December 31, 2022.

2) In January 2022, the Company acquired 100% interest in Chilisin Electronics Corp. in a share exchange agreement where 47,779 thousand ordinary shares were issued; the transaction is under common control. For the details, refer to Note 28 to the Company's consolidated financial statements for the year ended December 31, 2022.

The impact of retrospective adjustment on related items of balance sheets is set out below:

	December 31, 2021
Investments accounted for using the equity method	$ 223,991
Interests attributable to the predecessor under common control	$ 223,991

The impact of retrospective adjustment on related items of statements of comprehensive income is set out below:

	For the Year Ended December 31, 2021
Share of profit or loss of subsidiaries and associates accounted for using the equity method	$ (59,433)
Share of the other comprehensive loss of subsidiaries and associates accounted for using the equity method	$ (13,816)

3) The Group carried out an organizational restructuring in November 2022. Yageo USA (H.K.) Limited, originally a 100%-owned subsidiary of Yageo Holding (Bermuda) Ltd., was changed to the Company; Ko-E Holding (Cayman), originally a 97.15%-owned subsidiary of Yageo Holding (Bermuda) Ltd., was changed to Yageo Electronics Holding (S) Pte. Ltd. The aforementioned transaction was an organizational restructuring under common control; hence, the book-value method is applied in the transaction and the comparative information of the prior period in the financial statements is restated as if the acquisition had already occurred. Since the entities involved in the restructuring are all subsidiaries in the consolidated statements, there is no impact on the relevant financial statements.

4) The investments in subsidiaries accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2022 and 2021 were based on the subsidiaries' financial statements which have been audited for the same years.

b. Investments in associates

	December 31	
	2022	2021
Associates that are not individually material		
XSemi Corporation	$ 1,153,781	$ -
Kaimei Electronics Corp.	627,881	587,802
Global Testing Corporation Limited (GTCL)	321,241	249,050
Strong Components Co., Ltd.	110,562	109,028
	$ 2,213,465	$ 945,880

Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2022	2021
The Company's share of:		
Net profit for the year	$ 91,124	$ 135,138
Other comprehensive income (loss)	57,490	(27,122)
Total comprehensive income for the year	$ 148,614	$ 108,016

Investments in Kaimei Electronic Corp. was accounted for by the equity method since the Company had significant influence over it.

Except for GTCL, the investments were accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the year ended December 31, 2022 was based on the financial statements which have been audited for the same years.

The investments were accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the year ended December 31, 2021 was based on the financial statements which have been audited for the same years.

13. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2022	2021
Assets used by the Company	$ 14,175,039	$ 9,160,679
Assets leased under operating leases	68,398	68,206
	$ 14,243,437	$ 9,228,885

a. Assets used by the Company

	Freehold Land	Buildings	Machinery Equipment	Other Equipment	Construction in Progress and Unaccepted Equipment	Total
Cost						
Balance at January 1, 2022	$ 1,543,597	$ 5,498,390	$ 17,993,110	$ 1,292,811	$ 1,193,238	$ 27,521,146
Additions	-	1,316	1,985	3,114	6,234,962	6,241,377
Disposals	-	(9,422)	(566,382)	(10,410)	-	(586,214)
Transfers to assets leased under operating leases	(684)	(707)	-	-	-	(1,391)
Reclassifications	-	392,581	1,137,700	158,427	(1,688,834)	(126)
Balance at December 31, 2022	$ 1,542,913	$ 5,882,158	$ 18,566,413	$ 1,443,942	$ 5,739,366	$ 33,174,792
Accumulated depreciation and impairment						
Balance at January 1, 2022	$ 3,808	$ 3,515,067	$ 13,808,198	$ 1,033,394	$ -	$ 18,360,467
Disposals	-	(9,345)	(566,371)	(10,430)	-	(586,146)
Depreciation expense	-	257,921	868,285	99,661	-	1,225,867
Transfers to assets leased under operating leases	-	(435)	-	-	-	(435)
Balance at December 31, 2022	$ 3,808	$ 3,763,208	$ 14,110,112	$ 1,122,625	$ -	$ 18,999,753
Carrying amount at December 31, 2022	$ 1,539,105	$ 2,118,950	$ 4,456,301	$ 321,317	$ 5,739,366	$ 14,175,039

(Continued)

	Freehold Land	Buildings	Machinery Equipment	Other Equipment	Construction in Progress and Unaccepted Equipment	Total
Cost						
Balance at January 1, 2021	$ 1,547,766	$ 5,266,175	$ 17,289,998	$ 1,244,628	$ 803,321	$ 26,151,888
Additions	-	2,142	6,078	7,493	1,904,469	1,920,182
Disposals	-	(31,281)	(455,159)	(56,083)	-	(542,523)
Transfers to assets leased under operating leases	(4,169)	(4,232)	-	-	-	(8,401)
Reclassifications	-	265,586	1,152,193	96,773	(1,514,552)	-
Balance at December 31, 2021	$ 1,543,597	$ 5,498,390	$ 17,993,110	$ 1,292,811	$ 1,193,238	$ 27,521,146
Accumulated depreciation and impairment						
Balance at January 1, 2021	$ 3,808	$ 3,299,832	$ 13,448,387	$ 998,952	$ -	$ 17,750,979
Disposals	-	(31,274)	(409,044)	(52,309)	-	(492,627)
Depreciation expense	-	248,111	768,855	86,751	-	1,103,717
Transfers to assets leased under operating leases	-	(1,602)	-	-	-	(1,602)
Balance at December 31, 2021	$ 3,808	$ 3,515,067	$ 13,808,198	$ 1,033,394	$ -	$ 18,360,467
Carrying amount at December 31, 2021	$ 1,539,789	$ 1,983,323	$ 4,184,912	$ 259,417	$ 1,193,238	$ 9,160,679

(Concluded)

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

Buildings	
Main buildings	50-56 years
Engineering system	40-56 years
Others	1-20 years
Machinery equipment	1-20 years
Other equipment	1-20 years

Property, plant and equipment used by the Company and pledged as collateral for bank borrowings were set out in Note 28.

b. Assets leased under operating leases

	Land	Buildings	Total
Cost			
Balance at January 1, 2022	$ 42,955	$ 43,750	$ 86,705
Transfers from assets used by the Company	684	707	1,391
Balance at December 31, 2022	$ 43,639	$ 44,457	$ 88,096
Accumulated depreciation			
Balance at January 1, 2022	$ -	$ 18,499	$ 18,499
Depreciation expense	-	764	764
Transfers from assets used by the Company	-	435	435
Balance at December 31, 2022	$ -	$ 19,698	$ 19,698
Carrying amount at December 31, 2022	$ 43,639	$ 24,759	$ 68,398

(Continued)

	Land	Buildings	Total
Cost			
Balance at January 1, 2021	$ 38,786	$ 39,518	$ 78,304
Transfers from assets used by the Company	4,169	4,232	8,401
Balance at December 31, 2021	$ 42,955	$ 43,750	$ 86,705
Accumulated depreciation			
Balance at January 1, 2021	$ -	$ 16,177	$ 16,177
Depreciation expense	-	720	720
Transfers from assets used by the Company	-	1,602	1,602
Balance at December 31, 2021	$ -	$ 18,499	$ 18,499
Carrying amount at December 31, 2021	$ 42,955	$ 25,251	$ 68,206

(Concluded)

Operating leases relate to lease of the property owned by the Company with lease terms between 3 and 5 years. All operating lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating lease payments was as follows:

	December 31	
	2022	2021
Not later than 1 year	$ 12,806	$ 11,120
Later than 1 year and not later than 5 years	12,006	10,323
	$ 24,812	$ 21,443

The above items of property, plant and equipment leased under operating leases are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	50-56 years

Property, plant and equipment leased under operating leases and pledged as collateral for bank borrowings were set out in Note 28.

14. GOODWILL

	For the Year Ended December 31	
	2022	2021
Cost		
Balance at January 1 and December 31	$ 109,643	$ 109,643

The recoverable amount of the cash-generating unit was determined based on a value in use calculation. The Company's management estimated the recoverable amounts of core assets at their expected useful lives and thus based the cash flow forecast with the following discount rates as of December 31, 2022 and 2021:14.94% and 11.50%, respectively. The operating revenue forecast was based on the expected future growth rate of the passive product industry along with the projected advancement of the Company's own business. The Company's management believed that any reasonable changes in the principal assumptions would not result in the carrying values exceeding the recoverable amounts. As of December 31, 2022 and 2021, there was no indication of impairment loss based on the principal assumptions.

15. BORROWINGS

a. Short-term borrowings

	December 31	
	2022	2021
Unsecured borrowings		
Line of credit borrowings	$ 9,872,320	$ 20,863,300

The effective interest rates for bank loans were 1.10%-4.93% and 0.50%-0.77% per annum at December 31, 2022 and 2021, respectively.

b. Short-term bills payable

	For the Year Ended December 31	
	2022	2021
Commercial paper	$ 28,150,000	$ 20,000,000
Less: Unamortized discount on bills payable	(74,033)	(21,845)
	$ 28,075,967	$ 19,978,155

Outstanding short-term bills payable were as follows:

December 31, 2022

Promissory Institutions	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
Commercial paper						
IBFC Bills	$ 8,750,000	$ 17,497	$ 8,732,503	1.598%-1.698%	-	$ -
CTBF Bills	7,450,000	14,190	7,435,810	1.598%-1.708%	-	-
Yuanta Bills	3,950,000	16,111	3,933,889	1.688%	-	-
Grand Bills	3,000,000	8,009	2,991,991	1.598%-1.698%	-	-
SinoPac Bills	2,900,000	10,406	2,889,594	1.458%-1.698%	-	-
CBF Bills	1,900,000	7,741	1,892,259	1.678%-1.698%	-	-
Taching Bills	200,000	79	199,921	1.598%	-	-
	$ 28,150,000	$ 74,033	$ 28,075,967			$ -

December 31, 2021

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
Commercial paper						
IBFC Bills	$ 4,800,000	$ 8,324	$ 4,791,676	0.358%-0.588%	-	$ -
TFC Bills	2,700,000	1,467	2,698,533	0.358%-0.578%	-	-
CBF Bills	2,000,000	1,105	1,998,895	0.388%-0.518%	-	-
Grand Bills	2,000,000	1,199	1,998,801	0.398%-0.568%	-	-
SinoPac Bills	1,900,000	3,022	1,896,978	0.358%-0.588%	-	-
TSB Bills	1,600,000	1,169	1,598,831	0.398%	-	-
Taching Bills	1,500,000	961	1,499,039	0.398%-0.548%	-	-
Mega Bills	1,500,000	2,483	1,497,517	0.398%	-	-
Yuanta Bills	1,400,000	927	1,399,073	0.398%-0.548%	-	-
KGI Bills	600,000	1,188	598,812	0.578%	-	-
	$ 20,000,000	$ 21,845	$ 19,978,155			$ -

c. Long-term borrowings

	December 31	
	2022	2021
Unsecured borrowings		
Line of credit borrowings	$ 30,441,592	$ 20,161,908
Less: Current portions	(2,510,349)	-
	$ 27,931,243	$ 20,161,908

The effective interest rate of long-term bank loans was -0.8000%-2.9709% and -0.8000%-1.0000% per annum at December 31, 2022 and 2021, respectively.

Creditor	Credit Lines	Credit Period	Interest Rate	Repayment Agreement
TFC Bank Co., Ltd. (1)	$ 3,000,000	Five years after the date of first borrowing	Variable interest rate based on the two-year fixed deposit of Chunghwa Post Co., Ltd. and the actual receipt must not be less than 1%	Three-year grace period. Monthly installments after expiration of grace period
CTBC Bank Co., Ltd.	5,000,000	Machinery equipment: Ten years after the date of first borrowing Revolving fund: Seven years after the date of first borrowing	Variable interest rate based on the two-year fixed deposit of Chunghwa Post Co., Ltd. and the actual receipt must not be less than 1%	Three-year grace period. Monthly installments after expiration of grace period
Mega International Commercial Bank	4,000,000	Machinery equipment: Seven years after the date of first borrowing Factory building: Ten years after the date of first borrowing	Variable interest rate based on the two-year fixed deposit of Chunghwa Post Co., Ltd. and the actual receipt must not be less than 0.8%	Three-year grace period. Monthly installments after expiration of grace period
Chang Hwa Commercial Bank, Ltd.	560,000	Seven years after the date of first borrowing	Variable interest rate based on the two-year fixed deposit of Chunghwa Post Co., Ltd. and the actual receipt must not be less than 1%	Three-year grace period. Monthly installments after expiration of grace period
Chang Hwa Commercial Bank, Ltd.	2,000,000	Seven years after the date of first borrowing	Variable interest rate based on the two-year fixed deposit of Chunghwa Post Co., Ltd. and the actual receipt must not be less than 1.5%	Three-year grace period. Monthly installments after expiration of grace period

(Continued)

Creditor	Credit Lines	Credit Period	Interest Rate	Repayment Agreement
Bank of Taiwan and twenty one other financial institutions (3)	A: $41,000,000 A-1: Mid-term demand loan $25,600,000 A-2: Commercial paper guarantee $20,500,000 The total credit lines of A-1 and A-2 do not exceed $41,000,000	Five years after the date of first borrowing	A-1: Fixed rate based on a specific average rate of notes transacted in Taiwan A-2: TAIBIR 02 as benchmark interest rate	Sixty months after the date of first borrowing
	B: $7,500,000	Three years after the date of first borrowing	Fixed rate based on a specific average rate of notes transacted in Taiwan	Repay every six months from 1 year after the date of first borrowing
Bank of Communications Co., Ltd.	2,000,000	2022.03.29-2024.03.29	Based on bank	Repay at maturity
Bank SinoPac Co., Ltd.	2,500,000	2021.07.23-2024.08.31	Based on bank	Repay at maturity
MUFG Bank, Ltd. Hong Kong Branch	US$ 30,000	Two years from the date of first borrowing	Based on bank	Two years from the date of first borrowing
DBS Bank, Ltd.	US$ 100,000	Two or three years from the date of first borrowing	Based on bank	Two or three years from the date of first borrowing
MUFG Bank, Ltd. (2)	3,500,000	Three years from the date of first borrowing	Fixed rate of 0.89% for the first year, and 0.90% for the second and third year	Three years from the date of first borrowing
MUFG Bank, Ltd.	US$ 60,000	2021.10.05-2024.05.31	Based on bank	Repay at maturity
DBS Bank (Taiwan) Ltd.	1,000,000	2021.06.25-2024.06.25	Based on bank	Repay at maturity
DBS BANK LTD, Taipei Branch	1,000,000	2021.06.25-2024.06.25	Based on bank	Repay at maturity
Sumitomo Mitsui Banking Corporation	3,800,000	2021.10.12-2024.06.30	Based on bank	Repay at maturity
HSBC BANK LTD, Taipei Branch	US$ 20,000	2021.07.15-2024.08.30	Based on bank	Repay at maturity
TFC Bank Co., Ltd.	US$ 40,000	Three years from the date of first borrowing	Based on bank	Repay at maturity
Bank of Taiwan	3,000,000	2021.12.03-2024.10.20	Based on bank	Repay at maturity
Standard Chartered Bank (Hong Kong) Limited	US$ 60,000	Two or three years from the date of first borrowing	Based on bank	Two or three years from the date of first borrowing
MIZUHO Bank, Ltd, Taipei Branch	US$ 100,000	2022.12.30-2024.12.30	Based on bank	Repay at maturity
First Commercial Bank Co., Ltd.	1,000,000	2022.03.30-2024.04.30	Based on bank	Repay at maturity

(Concluded)

1) The Company will have to maintain its interim and annual current ratios, debt ratios, and interest coverage ratios at percentages specifies in the agreement.

2) The Company will have to maintain its annual debt ratios and interest coverage ratios at percentages specifies in the agreement.

3) The Company pledged the freehold land, office buildings and machinery equipment of the factory located in the administrative office in Xindian, New Taipei City, the Nan-Zi Branch, the Da-fa industrial estate and a capacitor-line factory in a village in Dashe, Kaohsiung City as collateral for the loans. The Company will have to maintain its interim and annual debt ratios and interest coverage ratios at percentages specified in the agreement.

16. BONDS PAYABLE

	December 31	
	2022	2021
Unsecured overseas convertible bonds (a)	$ 5,387,040	$ 5,387,040
Less: Discounts on bonds payable	(156,317)	(219,665)
	5,230,723	5,167,375
Unsecured domestic bonds (b)	14,500,000	10,000,000
Less: Discounts on bonds payable	(13,699)	(12,013)
	14,486,301	9,987,987
Less: Current portions	(5,230,723)	-
	$ 14,486,301	$ 15,155,362

a. Overseas convertible bonds

On March 2, 2020, the Corporation's board of directors resolved to issue overseas unsecured convertible bonds for the fifth time. This proposal was approved and became effective under the letter issued by the FSC dated March 26, 2020 (Financial-Supervisory-Securities-Corporate Issue No. 10903342431). The bonds with a duration of 5 years were listed on the Singapore Stock Exchange on May 26, 2020. This zero-coupon overseas convertible bonds have a face value of US$180,000 thousand.

Bondholders may request the Company to convert the bonds into the Company's ordinary shares at any time within the period from the following day after three months from the issuance date to 10 days prior to maturity, or the date on which the bondholder exercises the right to buy back or until the fifth business day before the Company exercises the early redemption right. The conversion price ($485 per share) at the time of issuance is determined by 30% premium to closing price of the Company's ordinary shares on the Taiwan Stock Exchange. Number of shares converted should be decided by face value of the bonds at a fixed exchange rate of US$1:NT$29.928, which is to be divided by the conversion price per share on the conversion date. The conversion price after the issuance of convertible bonds will be adjusted according to the anti-dilution clause of the Conversion Rules of the Company. As of December 31, 2022, the conversion price has been adjusted to $512.40 per share.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - equity component of convertible bonds. The effective interest rate of the liability component was 1.22% per annum on initial recognition.

Proceeds from issuance (less transaction costs of $41,316 thousand)	$ 5,345,724
Equity component (less transaction costs allocated to the equity component of $1,963 thousand)	(252,844)
Buy-back/redemption rights derivative instruments	(24,242)
Liability component at the date of issue (less transaction costs allocated to the liability component of $39,353 thousand)	5,068,638
Interest charged at an effective interest rate of 1.22%	98,737
Liability component at December 31, 2021	5,167,375
Interest charged at an effective interest rate of 1.22%	63,348
Liability component at December 31, 2022	$ 5,230,723

The movements of derivative financial instruments were as follows:

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ (2,693)	$ (4,848)
Gain (loss) on fair value changes	(29,629)	2,155
Balance at December 31	$ (32,322)	$ (2,693)

b. Unsecured domestic bonds

On May 3, 2021, the Company issued five-year unsecured domestic bonds with an aggregate principal amount of $5,500,000 thousand and an annual simple interest rate of 0.68%. The principal will be repaid in a lump sum on May 3, 2026.

On September 3, 2021, the Company issued three-year and five-year unsecured domestic bonds with aggregate principal amounts of $1,000,000 thousand and 3,500,000 thousand, respectively. The three-year and five-year unsecured domestic bonds have annual simple interest rates of 0.47% and 0.60%, respectively. The principal will be repaid in lump sum at maturity.

On January 12, 2022, the Company issued five-year unsecured domestic bonds with an aggregate principal amount of $4,500,000 thousand and an annual simple interest rate of 0.73%. The principal will be repaid in a lump sum on January 12, 2027.

17. OTHER LIABILITIES

	December 31	
	2022	2021
Current		
Other payables		
Payables for purchases of equipment	$ 2,674,729	$ 248,679
Payables for compensation of employees and remuneration of directors	2,291,874	2,043,114
Payables for salaries or bonuses	1,493,682	1,197,968
Payables for annual leave	71,578	64,776
Others	7,682,666	3,504,532
	$ 14,214,529	$ 7,059,069

18. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, a company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by a pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2022	**2021**
Present value of defined benefit obligation	$ 346,045	$ 390,023
Fair value of plan assets	(205,117)	(210,613)
Net defined benefit liability	$ 140,928	$ 179,410

Movements in the net defined benefit liability were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liability**
Balance at January 1, 2021	$ 415,035	$ (212,578)	$ 202,457
Service cost			
Current service cost	2,040	-	2,040
Net interest expense (income)	1,453	(758)	695
Recognized in profit or loss	3,493	(758)	2,735
Remeasurement			
Actuarial (gain) loss			
Changes in demographic assumptions	14,962	-	14,962
Changes in financial assumptions	(12,621)	-	(12,621)
Experience adjustments	(17,237)	(3,056)	(20,293)
Recognized in other comprehensive income	(14,896)	(3,056)	(17,952)
Contributions from the employer	-	(7,830)	(7,830)
Benefits paid	(13,609)	13,609	-
Balance at December 31, 2021	$ 390,023	$ (210,613)	$ 179,410
Balance at January 1, 2022	$ 390,023	$ (210,613)	$ 179,410
Service cost			
Current service cost	1,640	-	1,640
Net interest expense (income)	2,925	(1,609)	1,316
Recognized in profit or loss	4,565	(1,609)	2,956

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability
Remeasurement			
Actuarial loss			
Changes in financial assumptions	$ (17,184)	$ -	$ (17,184)
Experience adjustments	(85)	(16,315)	(16,400)
Recognized in other comprehensive income	(17,269)	(16,315)	(33,584)
Contributions from the employer	-	(7,607)	(7,607)
Benefits paid	(31,274)	31,027	(247)
Balance at December 31, 2022	$ 346,045	$ (205,117)	$ 140,928

(Concluded)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2022	2021
Operating costs	$ 2,278	$ 2,167
Selling and marketing expenses	177	161
General and administrative expenses	400	311
Research and development expenses	101	96
	$ 2,956	$ 2,735

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2022	2021
Discount rates	1.400%	0.750%
Expected rates of salary increase	1.500%	1.500%

If possible reasonable change in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2022	2021
Discount rates		
0.25% increase	$ (6,739)	$ (8,034)
0.25% decrease	$ 6,957	$ 8,303
Expected rates of salary increase		
0.25% increase	$ 6,753	$ 8,015
0.25% decrease	$ (6,574)	$ (7,795)

The above sensitivity analysis may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2022	2021
Expected contributions to the plans for the next year	$ 7,607	$ 7,830
Average duration of the defined benefit obligation	10 years	10 years

19. EQUITY

a. Share capital

1) Ordinary shares

	December 31	
	2022	2021
Shares authorized (in thousands of shares)	4,000,000	4,000,000
Shares authorized	$ 40,000,000	$ 40,000,000
Shares issued and fully paid (in thousands of shares)	421,261	495,919
Shares issued and fully paid	$ 4,212,608	$ 4,959,189

Fully paid ordinary shares, which have a par value of NT$10, carry one vote per share and carry a right to dividends.

The movements of the ordinary shares were due to the capital reduction, cancelation of treasury share, acquisition of Chilisin Electronics Corp. in a share exchange agreement, convertible bonds converted to ordinary shares and the exercise of employee share options.

For purpose of enhancing the return on equity, profitability per share and proper use of the capital, the capital was reduced through a cash return to shareholders, which was proposed by the Company's board on March 17, 2022 and resolved by the shareholders in the shareholders' meeting on June 8, 2022. The total amount of capital reduction was $1,080,112 thousand, which represented 108,011 thousand shares cancelled, and the capital reduction ratio is 20%. The registration of the capital reduction was approved by the Taiwan Stock Exchange on July 6, 2022. The effective date of the capital reduction was July 28, 2022 and the effective date of the replacement of shares due to the capital reduction was October 28, 2022. The legal registration procedures have been completed on September 15, 2022.

2) Global depositary receipts

The Company's global depositary receipts (GDRs) as of December 31, 2021 were as follows:

	GDRs (In Thousand Units)	Equivalent Ordinary Shares (In Thousand Shares)
Initial offering	5,000	25,000
Converted from overseas convertible bonds	34,981	174,903
Net increase due to capital increase or capital reduction	81,552	407,763
Reissued within authorized units	66,960	334,801
GDRs transferred to ordinary shares	(188,469)	(942,346)
Outstanding GDRs issued	24	121

The owners of GDRs have the same rights as holders of ordinary shares, except that the GDR owners should exercise, through a depositary trust company, the following beneficial interests subject to the terms of the depositary agreements and the relevant Taiwan laws and regulations:

a) Exercise voting rights;
b) Convert the GDRs into ordinary shares; and
c) Receive dividends and exercise preemptive rights or other rights and interests.

On April 14, 2020, the Company issued 12,680 thousand units (US$51.25 per unit) of GDRs on the Luxembourg Stock Exchange. Each unit represents 5 ordinary shares of the Company.

b. Capital surplus

	December 31	
	2022	2021
May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)		
Issuance of ordinary shares and bonds conversion	$ 41,250,842	$ 20,221,583
May only be used to offset a deficit		
Share of changes in capital surplus of associates or subsidiaries (2)	151,159	1,574,490
May not be used for any purpose		
Equity component of convertible bonds	277,878	252,844
	$ 41,679,879	$ 22,048,917

1) 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 to once a year).

2) Such capital surplus arises from the effect of changes in ownership interests in subsidiaries resulted from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for by using equity method.

c. Retained earnings and dividend policy

Under the Company's Articles of Incorporation (the "Articles"), when the Company has earnings for the year, the Company shall appropriate for remuneration of directors at 3% or less and for employees' bonus of at least 2% of the earnings. Then, the Company shall make payments for taxes and offset past years' deficit, if any. The remaining profit shall be distributed in the following order:

1) Legal reserve is appropriated at 10% of the remaining profit until the legal reserve equals the Company's paid-in capital.

2) Special reserve is appropriated or reversed in accordance with the laws and regulations.

3) Appropriations for dividends and bonuses, of at least 10% of the remaining profit after appropriations for legal reserve and special reserve, may be proposed by the Company's board of directors and approved at the shareholders' meeting. However, if the earnings distribution proposal is for the distribution of dividend and bonus in cash entirely or partially, it shall be resolved by the board of directors with the attendance of more-than-two-thirds of the directors and consent of the majority of attending directors; also it shall be reported in the shareholders' meeting.

The Company's dividend policy takes into account the Company's current and future competitiveness in the domestic and foreign markets, the investment environment and cash requirements. The policy authorizes the Company's board to propose an earnings distribution in the form of shares or in cash appropriately in accordance with the laws and regulations, with the board's proposal subject to approval at the shareholders' meeting. For the policies on distribution of the compensation of employees and remuneration of directors and supervisors set forth in the Articles, refer to e. compensation of employees and remuneration of directors in Note 20.

If the Company has no loss, the legal reserve and the Company's additional paid-in capital as stipulated in Paragraph 1, Article 241 of the Company Law can be distributed to the shareholders proportionally according to the resolution of the Board of Directors with the attendance of more than two-thirds of the directors and the consent of the majority of attending directors; also, it shall be reported in the shareholders meeting.

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 deficit. 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 Company's earnings distribution or loss recovery can be completed at the end of each interim fiscal year. The Company before distributing the earnings of the first half of the fiscal year as stated in the preceding paragraph should estimate and retain the amount of tax payable, loss coverage, compensation of employees, and the provision of earnings reserved in advance. However, when the legal reserve equals to the amount of paid-in capital, it is not subject to this restriction.

The appropriations of earnings for 2021 and 2020 were as follows:

	2021	2020
Legal reserve	$ 2,072,668	$ 1,289,970
Special reserve	$ 5,316,805	$ 1,649,104
Cash dividends	$ 5,400,560	$ 3,967,351
Cash dividends per share (NT$)	$ 10.00	$ 8.00

The above 2021 and 2020 appropriations for cash dividends were resolved by the Company's board of directors on March 17, 2022 and April 22, 2021, respectively; the other proposed appropriations for 2021 and 2020 were resolved by the shareholders in the shareholders' meetings on June 8, 2022 and July 7, 2021, respectively.

On April 22, 2021, the Company's board of directors resolved to issue cash dividends of $991,838 thousand from capital surplus, at NT$2 per share, and plus the above cash dividends at NT$8 per share. The total cash dividends at NT$10 per share was issued for 2020.

The appropriation of earnings for 2022, which were proposed by the Company's board of directors on March 14, 2023, were as follows:

	For the Year Ended December 31, 2022
Legal reserve	$ 1,892,330
Special reserve	$ (9,300,817)
Cash dividends	$ 4,186,652
Cash dividends per share (NT$)	$ 10.00

The above appropriation for cash dividends has been resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting to be held on June 6, 2023.

d. Special reserves

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 4,594,931	$ 2,945,827
Appropriations in respect of debit to other equity items	5,316,805	1,649,104
Balance at December 31	$ 9,911,736	$ 4,594,931

e. Other equity items

1) Exchange differences on translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ (9,753,973)	$ (4,665,523)
Recognized for the year		
Share from subsidiaries and associates accounted for using the equity method	10,291,090	(5,088,450)
Reclassification adjustments		
Former owner of business combinations under common control transferred to owners of the Company	(952,675)	-
Disposal of share from subsidiaries accounted for using the equity method	(5,714)	-
Balance at December 31	$ (421,272)	$ (9,753,973)

	Amount Before Tax	Related Income Tax	Amount After Tax
Balance at January 1, 2021	$ (5,843,521)	$ 1,177,998	$ (4,665,523)
Other comprehensive income (loss) recognized for the year	(6,360,563)	1,272,113	(5,088,450)
Balance at December 31, 2021	$ (12,204,084)	$ 2,450,111	$ (9,753,973)
Balance at January 1, 2022	$ (12,204,084)	$ 2,450,111	$ (9,753,973)
Other comprehensive income (loss) recognized for the year	12,621,407	(2,336,031)	10,285,376
Reclassification adjustments	(952,675)	-	(952,675)
Balance at December 31, 2022	$ (535,352)	$ 114,080	$ (421,272)

2) Unrealized valuation gain/(loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 81,021	$ 71,291
Recognized for the year		
Unrealized gain (loss) - equity instruments	(39,649)	1,404
Share from subsidiaries and associates accounted for using the equity method	(58,052)	11,290
Reclassification adjustments		
Former owner of business combinations under common control transferred to owners of the Company	1,993	-
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	589	(2,964)
Balance at December 31	$ (14,098)	$ 81,021

3) Gain (loss) on hedging instruments

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 198,811	$ 350,307
Recognized for the year		
Share from subsidiaries accounted for using the equity method	432,724	(151,496)
Balance at December 31	$ 631,535	$ 198,811

f. Former owner of business combination under common control

1) Exchange differences on translation of the financial statements of the foreign operations

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ (46,739)	$ (33,612)
Recognized for the year		
Exchange differences on translation of the financial statements of foreign operations	-	(13,149)
Related income tax	-	22
Reclassification adjustments		
Former owner of business combinations under common control transferred to owners of the Company	46,739	-
Balance at December 31	$ -	$ (46,739)

2) Unrealized valuation gain/(loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 473	$ 1,162
Recognized for the year		
Unrealized gain - equity instruments	-	(689)
Reclassification adjustments		
Former owner of business combinations under common control transferred to owners of the Company	(473)	-
Balance at December 31	$ -	$ 473

g. Treasury shares

Purpose of Buy-back	Shares Transferred to Employees (In Thousands of Shares)	Shares Cancelled (In Thousands of Shares)	Shares Held by Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares at January 1, 2021	2,965	-	-	2,965
Increase during the year	4,000	-	-	4,000
Decrease during the year	(2,965)	-	-	(2,965)
Number of shares at December 31, 2021	4,000	-	-	4,000
Number of shares at January 1, 2022	4,000	-	-	4,000
Increase through business combinations	-	-	1,008	1,008
Increase during the year	-	14,788	-	14,788
Decrease during the year	(816)	(14,788)	(206)	(15,810)
Number of shares at December 31, 2022	3,184	-	802	3,986

To boost employee morale, the Company's board resolved on July 17, 2018, to buy back up to 4,500 thousand ordinary shares with the buyback price ranging from NT$632.80 to NT$1,616.80 from July 19, 2018 to September 17, 2018 on the Taiwan Stock Exchange. As of September 17, 2018, the last day of the buyback period, the Company bought back 2,965 thousand shares at a total amount of $2,421,552 thousand. The Company canceled the buyback shares on August 23, 2021.

To boost employee morale, the Company's board resolved on May 13, 2021, to buy back up to 4,000 thousand ordinary shares with the buyback price ranging from NT$409.50 to NT$655.00 from May 17, 2021 to July 13, 2021 on the Taiwan Stock Exchange. As of June 10, 2021, the Company bought back 4,000 thousand shares at a total amount of $1,879,155 thousand.

To maintain Company's credit and shareholders' equity, the Company's board resolved on April 26, 2022 to buy back up to 5,500 thousand ordinary shares with the buyback price ranging from NT$280.00 to NT$628.00 per share from April 27, 2022 to June 26, 2022 on the Taiwan Stock Exchange. As of June 16, 2022, the Company bought back 5,500 thousand shares at a total amount of $2,172,957 thousand. The Company canceled the buyback shares on September 30, 2022.

To maintain Company's credit and shareholders' equity, the Company's board resolved on July 11, 2022, to buy back up to 11,000 thousand ordinary shares with the buyback price ranging from NT$304.00 to NT$531.00 from July 12, 2022 to September 11, 2022 on the Taiwan Stock Exchange. As of September 7, 2022, the Company bought back 9,288 thousand shares at a total amount of $2,999,458 thousand. The Company canceled the buyback shares on September 30, 2022.

As described in Note 1, Ko-Shin Investment Limited., the subsidiary of the Company, converted all the ordinary shares originally held in Chilisin Electronics Corp. into ordinary shares of the Company according to the share exchange agreement. Related information regarding shares of the Company held by its subsidiaries on the balance sheet date was as follows:

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
December 31, 2022			
Ko-Shin Investment Limited	802	$ 535,053	$ 361,730

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote. The subsidiaries holding treasury shares, however, are bestowed shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

20. NET PROFIT FOR THE YEAR

a. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Net gain on disposal of property, plant and equipment	$ 1,293	$ 1,435
Net foreign exchange gains (losses)	(689,285)	177,156
Dividend income	9,197	-
Other	57,180	7,395
	$ (621,615)	$ 185,986

b. Finance costs

	For the Year Ended December 31	
	2022	2021
Interest on bank loans	$ 407,451	$ 336,156
Interest on short-term bills	194,866	106,374
Interest on convertible bonds	163,312	97,518
Interest on loans from related parties	14,145	49,580
Other finance costs	14,268	24,279
	$ 794,042	$ 613,907

c. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
An analysis of depreciation by function		
Operating costs	$ 1,123,780	$ 1,005,712
Operating expenses	102,851	98,725
	$ 1,226,631	$ 1,104,437
An analysis of amortization by function		
Operating costs	$ 805	$ 528
Operating expenses	26,178	50,544
Other expenses	9,410	9,410
	$ 36,393	$ 60,482

d. Employee benefit expense

	For the Year Ended December 31	
	2022	2021
Post-employment benefits		
Defined contribution plans	$ 96,173	$ 99,069
Defined benefit plans (Note 18)	2,956	2,735
Other employee benefits	4,275,521	4,514,387
Total employee benefit expense	$ 4,374,650	$ 4,616,191
An analysis of employee benefit expense by function		
Operating costs	$ 2,292,293	$ 2,447,962
Operating expenses	2,082,357	2,168,229
	$ 4,374,650	$ 4,616,191

e. Compensation of employees and remuneration of directors

The Company accrued compensation of employees and remuneration of directors at rates of no less than 2% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2022 and 2021, which were approved by the Company's board of directors on March 14, 2023 and March 17, 2022, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2022	2021
Compensation of employees	3%	3%
Remuneration of directors	3%	3%

Amount

	For the Year Ended December 31			
	2022		2021	
	Cash	Shares	Cash	Shares
Compensation of employees	$ 766,476	$ -	$ 807,874	$ -
Remuneration of directors	766,476	-	807,874	-

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

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2021 and 2020.

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

f. Gain or loss on foreign currency exchange

	For the Year Ended December 31	
	2022	2021
Foreign exchange gains	$ 1,332,877	$ 1,118,439
Foreign exchange losses	(2,022,162)	(941,283)
	$ (689,285)	$ 177,156

21. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of current year	$ 775,562	$ 1,011,721
Income tax on unappropriated earnings	511,612	199,687
Adjustments for prior years	505,435	870,003
	1,792,609	2,081,411
Deferred tax		
In respect of current year	(415,773)	366,904
Adjustments for prior years	(91,065)	(37,473)
	(506,838)	329,431
Income tax expense recognized in profit or loss	$ 1,285,771	$ 2,410,842

A reconciliation of accounting profit and income tax expenses were as follows:

	For the Year Ended December 31	
	2022	2021
Profit before tax	$ 24,017,481	$ 25,253,955
Income tax expense calculated at the statutory rate	$ 4,803,496	$ 5,050,791
Unrecognized deductible temporary differences	(4,466,014)	(3,684,300)
Others	22,307	12,134
Income tax on unappropriated earnings	511,612	199,687
Adjustments for prior years' tax	414,370	832,530
Income tax expense recognized in profit or loss	$ 1,285,771	$ 2,410,842

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2022	2021
Deferred tax		
In respect of the current year		
Share of other comprehensive income of subsidiaries and associates for using the equity method	$ 2,336,031	$ (1,272,135)
Remeasurement of defined benefit plans	6,717	3,590
	$ 2,342,748	$ (1,268,545)

c. Current tax liabilities

	December 31	
	2022	2021
Current tax liabilities		
Income tax payable	$ 2,987,156	$ 2,444,246

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Impairment loss on property, plant and equipment	$ 196,970	$ (14,746)	$ -	$ 182,224
Inventory write-downs	62,202	6,744	-	68,946
Accrued expenses	384,665	474,507	-	859,172
Defined benefit obligation	30,390	(955)	(6,717)	22,718
Exchange difference on foreign operation	2,450,110	-	(2,336,031)	114,079
Others	423,926	129,068	-	552,994
	$ 3,548,263	$ 594,618	$ (2,342,748)	$ 1,800,133
Deferred tax liabilities				
Temporary differences				
Others	$ -	$ 87,780	$ -	$ 87,780

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Impairment loss on property, plant and equipment	$ 207,842	$ (10,872)	$ -	$ 196,970
Inventory write-downs	67,835	(5,633)	-	62,202
Accrued expenses	372,683	11,982	-	384,665
Defined benefit obligation	35,020	(1,040)	(3,590)	30,390
Exchange difference on foreign operation	1,177,997	-	1,272,113	2,450,110
Others	747,794	(323,868)	-	423,926
	$ 2,609,171	$ (329,431)	$ 1,268,523	$ 3,548,263

e. Income tax assessments

The Company's income tax returns through 2019 have been assessed by the tax authorities.

22. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2022	2021
Basic earnings per share	$ 44.22	$ 46.13
Diluted earnings per share	$ 43.21	$ 44.85

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2022	2021
Profit for the year attributable to owners of the Company	$ 22,730,465	$ 22,902,546
Profit for the year attributable to former owner of business combination under common control	1,245	(59,433)
Earnings used in the computation of basic earnings per share	22,731,710	22,843,113
Effect of potentially dilutive ordinary shares		
Interest on convertible bonds (after tax)	55,605	56,717
Net loss on financial instrument at fair value through profit or loss	30,194	1,571
Earnings used in the computation of basic earnings per share	$ 22,817,509	$ 22,901,401

The weighted average number of ordinary shares outstanding (in thousand of shares) is as follows:

	For the Year Ended December 31	
	2022	2021
Weighted average number of ordinary shares used in the computation of basic earnings per share	514,008	495,171
Effect of potentially dilutive ordinary shares:		
Convertible bonds	11,949	13,648
Compensation of employees	2,097	1,843
Weighted average number of ordinary shares used in the computation of diluted earnings per share	528,054	510,662

The share exchange between the Company and Chilisin Electronics Corp. was regarded as an organizational restructuring under common control, and the earnings per share of prior periods were calculated based on the weighted average number of ordinary shares outstanding retrospectively adjusted in accordance with share exchange ratio stated in the joint share exchange agreement.

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are 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 was included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

23. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee share option plan in 2014

Qualified employees of the Company and its subsidiaries were granted 40,000 thousand units of share options in May 2014. Each option represents one share of the Company's ordinary shares. The vesting period of these options is 10 years. Qualified employees may exercise at certain percentages of the options after two years, from the grant date. The options were granted at an exercise price equal to the closing price of the Company's ordinary shares listed on the on the grant date. For any subsequent changes in the Company's capital surplus, the exercise price is adjusted accordingly. In 2020, the Company adjusted the exercise price from $40.20 to $38.90, according to the formulas as specified by the employee share option plan. Information on employee share options was as follows:

	For the Year Ended December 31			
	2022		2021	
	Number of Options (In Thousands of Units)	Weighted-average Exercise Price (NT$)	Number of Options (In Thousands of Units)	Weighted-average Exercise Price (NT$)
Balance at January 1	-	$ -	2,042	$ 38.90
Options exercised	-	-	(1,900)	38.90
Options expired	-	-	(142)	-
Balance at December 31	-	-	-	-
Options exercisable, end of year	-		-	

The weighted average share prices on the exercise date of the share options for the years ended December 31, 2021 was $583.36.

Options granted in May 2014 were priced using the binomial option pricing model and the inputs to the model were as follows:

	May 2015
Grant-date share price	$17.70
Exercise price	$17.70
Expected volatility	37.50%
Expected life (in years)	10
Expected dividend yield	-
Risk-free interest rate	1.52%

Expected volatility was based on the historical share price volatility over the past 10 years. To allow for the effects of early exercise, the Company assumed that employees would exercise their options after the vesting date when the share price was 1.3 times the exercise price.

b. Employee share option plan of a subsidiary

Chilisin Electronics Corp., a subsidiary of the Company, qualified employees of Chilisin Electronics Corp. and its subsidiaries were granted 7,000 thousand units of share options in April 2015. Each option represents one ordinary share of Chilisin Electronics Corp. The vesting period of these options is 8 years. Qualified employees may exercise the share options at certain percentages of the options after three years from the grant date. The options were granted at an exercise price equal to the closing price of Chilisin Electronics Corp.'s ordinary shares listed on the grant date. For any subsequent changes in Chilisin Electronics Corp.'s capital surplus, the exercise price is adjusted accordingly.

As described in Note 1, the Company assumed Chilisin Electronics Corp.'s obligations of outstanding employee share option plans starting from January 5, 2022. The holder of each unexercised employee share option can subscribe for 0.2002 per shares of the Company's ordinary shares. The other conditions were the same, except that the exercise price and quantity were adjusted according to the share exchange ratio specified in the share exchange agreement and the execution target of the agreement was changed to the Company's ordinary shares.

From January 5, 2022, information on employee share options issued and accepted by the Company was as follows:

	From January 5 to December 31, 2022	
	Number of Options (In Thousands)	**Weighted-average Exercise Price**
Balance at January 1	-	$ -
Options transferred from Chilisin Electronics Corp.	4	211.8
Options exercised	(4)	211.8
Balance at December 31	-	-
Options exercisable, end of year	-	

24. DISPOSAL OF SUBSIDIARIES - WITH LOSS OF CONTROL

In June 2022, the Company and Ko-Shin Investment Limited., a subsidiary of the Company, subscribed for additional new shares of XSemi Corporation, a subsidiary of the Company, at a percentage different from its existing ownership percentage, and reduced its continuing interest from 55% to 44%; thus, control of XSemi Corporation passed to the acquirer. For details about the disposal of XSemi Corporation, refer to Note 29 to the Company's consolidated financial statements for the year ended December 31, 2022.

25. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. The Company's overall strategy in accordance with the Company operations and cash flow to assess the situation and to be properly adjusted to adapt to changes in the market in a timely manner.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity).

Key management personnel of the Company review the capital structure on an annual basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Company may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and the amount of new debt issued or existing debt redeemed.

26. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

December 31, 2022

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 5,230,723	$ -	$ -	$ 4,791,772	$ 4,791,772

December 31, 2021

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 5,167,375	$ -	$ -	$ 5,074,053	$ 5,074,053

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 607,680	$ -	$ 607,680
Domestic unlisted shares	-	-	482	482
Structured notes	-	130,442	-	130,442
	$ -	$ 738,122	$ 482	$ 738,604
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 461,741	$ -	$ -	$ 461,741
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 160,694	$ 32,322	$ 193,016

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 93,097	$ -	$ 93,097
Domestic unlisted shares	-	-	482	482
Structured deposits	-	312,963	-	312,963
	$ -	$ 406,060	$ 482	$ 406,542
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 447,604	$ -	$ -	$ 447,604
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 38,512	$ 2,693	$ 41,205

There were no transfers between Levels 1 and 2 in the current and prior year.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2022

	Financial Liabilities at FVTPL Derivative Instruments
Financial liabilities	
Balance at January 1, 2022	$ 2,693
Recognized in profit or loss	29,629
Balance at December 31, 2022	$ 32,322

For the year ended December 31, 2021

	Financial Liabilities at FVTPL Derivative Instruments
Financial liabilities	
Balance at January 1, 2021	$ 4,848
Recognized in profit or loss	(2,155)
Balance at December 31, 2021	$ 2,693

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

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts and swap contracts	Discounted cash flow: Future cash flows are estimated on the basis of observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Derivatives - cross-currency swap contracts	Use the evaluation information provided by the banks and evaluate using the discounted cash flow method, future cash flows are estimated on the basis of observable forward exchange rates and contract interest rates at the end of the reporting period, discounted at a rate that reflects the credit risk of various banks.
Structured notes and structured deposits	Use the valuation technique or the quoted market price of its competitors.

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

The fair values of unlisted equity securities - ROC were determined using the income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees. Long-term revenue growth rates, long-term pre-tax operating margin, weighted average cost of capital (WACC) and discount for the lack of marketability. An increase in long-term revenue growth rates or long-term pre-tax operating margin or a decrease in WACC or discount for the lack of marketability used in isolation would result in increase in fair value.

c. Categories of financial instruments

	December 31	
	2022	2021
Financial assets		
FVTPL		
Mandatorily classified as at FVTPL	$ 738,604	$ 406,542
Financial assets at amortized cost (1)	14,822,947	17,275,009
Financial assets at FVTOCI		
Equity instruments	461,741	447,604
Financial liabilities		
FVTPL		
Mandatorily classified as at FVTPL	193,016	41,205
Amortized cost (2)	118,924,166	99,840,162

1) The balances included financial assets at amortized cost, which comprise cash and cash equivalents, debt investments, trade and other receivables (including related parties) and refundable deposits.

2) The balances included financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, trade payables and other payables (including related parties), current portion of long-term borrowings and bonds payable, bonds payable, long-term borrowings and guarantee deposits received.

d. Financial risk management objectives and policies

The Company's major financial instruments include equity and debt investments, trade receivables, trade payables, bonds payable and borrowings. 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 Company through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Company's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Company did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Company's impartment financial activities are reviewed by the board of directors in accordance with related standard and internal controls. In executing financial plan, the Company have to obey the related financial operating procedures regarding financial risk management and segregation of duties.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Company entered into foreign exchange forward contracts and cross-currency swap contracts to manage its exposure to foreign currency risk.

There had been no change to the Company's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Company had foreign currency denominated sales and purchases, which exposed the Company to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing forward foreign exchange contracts and cross-currency swap contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposing to foreign currency risk at the end of the reporting period are set out in Note 30.

Sensitivity analysis

The Company assessed the foreign currency risk of its significant assets and liabilities as well as taking unexpired exchange forward contracts, swap contracts and cross-currency swap contracts into consideration.

The Company was mainly exposed to the USD, EUR and JPY.

The following table details the Company's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign exchange forward contracts designated as cash flow hedges, and adjusts their translation at the end of the year for a 1% change in foreign currency rates. A negative number below indicates an increase (a decrease) in pre-tax profit associated with New Taiwan dollars strengthening 1% against the relevant currency. For a 1% weakening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be positive.

	USD Impact		EUR Impact		JPY Impact	
	For the Year Ended December 31		For the Year Ended December 31		For the Year Ended December 31	
	2022	2021	2022	2021	2022	2021
Profit or loss	$ (60,522)	$ (54,179)	$ (10,488)	$ (26,853)	$ (11,852)	$ 1,717

The analysis of profit or loss of the table was mainly attributable to the exposure to outstanding USD, EUR and JPY which were not hedged, at the end of the reporting period.

The Company's sensitivity to foreign currency exchange has not changed significantly from the prior year.

b) Interest rate risk

The Company was exposed to interest rate risk because entities in the Company borrowed funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate.

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

	December 31	
	2022	**2021**
Fair value interest rate risk		
Financial assets	$ 3,887,262	$ 3,295,020
Financial liabilities	77,440,381	69,188,317
Cash flow interest rate risk		
Financial assets	7,533,865	8,135,232
Financial liabilities	22,949,722	16,661,908

The Company's fixed-term time deposits, bank borrowings, short-term bills and bonds payable are exposed to fair value interest rate risk; however, this expected risk is insignificant.

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for both derivative and non-derivative instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year was outstanding for the whole year. A 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher and all other variables were held constant, the Company's variable-rate financial assets for the years ended December 31, 2022 and 2021 would have resulted in cash inflows by $154,159 thousand and $85,267 thousand, respectively.

The Company's sensitivity to interest rates increased during the current year mainly due to the increase in variable-rate financial assets from the current year.

c) Other price risk

The Company was exposed to equity price risk through its investments in equity securities.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the year.

If equity prices had been 1% lower, the pre-tax profit for the years ended December 31, 2022 and 2021 would both have decreased by $5 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL. If equity prices had been 1% lower, the comprehensive income for the year ended December 31, 2022 and 2021 would have decreased by $4,617 and $4,476 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Company's sensitivity to investments in equity securities has not changed significantly from the prior year.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. At the end of the year, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to failure of counterparties to discharge an obligation and financial guarantees provided by the Company could be equal to the total of the following:

a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and

b) The amount of contingent liabilities in relation to financial guarantee issued by the Company.

The Company adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company'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, management of the Company 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 Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, management believes the Company's credit risk was significantly reduced.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Ongoing credit evaluation is performed on the financial condition of trade receivables.

The Company did transactions with a large number of unrelated customers and, thus, no concentration of credit risk was observed.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2022 and 2021, the Company had available unutilized short-term bank loan facilities of $42,151,244 thousand and $28,371,620 thousand, respectively.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The table below summarizes the maturity profile of the Company's financial liabilities based on undiscounted contractual payments but did not include the financial liabilities with carrying amounts that approximated contractual cash flows:

	Carrying Amount	Contractual Cash Flows	Within 1 Year	More than 1 Year
December 31, 2022				
Short-term borrowings	$ 9,872,320	$ 9,947,247	$ 9,947,247	$ -
Short-term bills payable	28,075,967	28,150,000	28,150,000	-
Long-term borrowings	30,441,592	30,919,187	2,510,349	28,408,838
Bonds payable	19,717,024	20,057,924	5,326,673	14,731,251
	$ 88,106,903	$ 89,074,358	$ 45,934,269	$ 43,140,089
December 31, 2021				
Short-term borrowings	$ 20,863,300	$ 20,908,837	$ 20,908,837	$ -
Short-term bills payable	19,978,155	20,000,000	20,000,000	-
Long-term borrowings	20,161,908	20,337,227	-	20,337,227
Bonds payable	15,155,362	15,427,962	63,100	15,364,862
	$ 76,158,725	$ 76,674,026	$ 40,971,937	$ 35,702,089

b) Liquidity and interest rate risk tables for derivative financial liabilities

The following table detailed the Company's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the year.

December 31, 2022

	On Demand or Less than 3 Months	3 Months to 6 Months	Over 6 Months to 12 Months	1 Year to 5 Years
Gross settled				
Foreign exchange forward contracts				
Inflows	$ 3,357,199	$ 7,069,521	$ 1,903,191	$ -
Outflows	(3,238,795)	(6,952,115)	(1,815,826)	-
	$ 118,404	$ 117,406	$ 87,365	$ -

(Continued)

	On Demand or Less than 3 Months	3 Months to 6 Months	Over 6 Months to 12 Months	1 Year to 5 Years
Gross settled				
Swap contracts				
Inflows	$ 614,160	$ -	$ 1,228,320	$ -
Outflows	(561,000)	-	(1,210,000)	-
	$ 53,160	$ -	$ 18,320	$ -
Gross settled				
Cross-currency swap contracts				
Inflows	$ 1,284,105	$ 921,240	$ 294,585	$ 614,160
Outflows	(1,271,175)	(868,860)	(272,646)	(547,700)
	$ 12,930	$ 52,380	$ 21,939	$ 66,460

(Concluded)

December 31, 2021

	On Demand or Less than 3 Months	3 Months to 6 Months	Over 6 Months to 12 Months	1 Year to 5 Years
Gross settled				
Foreign exchange forward contracts				
Inflows	$ 6,029,290	$ 3,466,697	$ 5,569,439	$ 280,101
Outflows	(5,994,011)	(3,392,780)	(5,469,912)	(273,512)
	$ 35,279	$ 73,917	$ 99,527	$ 6,589
Gross settled				
Cross-currency swap contracts				
Inflows	$ -	$ 1,107,600	$ 830,700	$ -
Outflows	-	1,114,000	(837,000)	-
	$ -	$ (6,400)	$ (6,300)	$ -

27. TRANSACTIONS WITH RELATED PARTIES

Besides as disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed as follows.

a. Related party name and category

Related Party Name	Related Party Category
Yageo Electronics (China) Co., Ltd.	Subsidiary
Yageo Components (Suzhou) Co., Ltd.	Subsidiary
Yageo Electronics (Dongguan) Co., Ltd.	Subsidiary
Yageo Trade (Suzhou) Co., Ltd.	Subsidiary
Vitrohm Portuguesa	Subsidiary
Ko-E (Hong Kong), Ltd.	Subsidiary
Ko-E Electronics Trade Co., Ltd.	Subsidiary
Brightking Enterprise (H.K.) Co., Ltd.	Subsidiary
Ko-E Component Co., Ltd.	Subsidiary
Pulse Electronics (Singapore) PTE. LTD.	Subsidiary
Pulse Electronics (Singapore) Pte. Ltd	Subsidiary
Pulse Suzhou Wireless Products Co., Ltd.	Subsidiary
Yageo U.S.A (H.K.) Limited	Subsidiary
Yageo Japan	Subsidiary
Yageo Korea	Subsidiary
KEMET Electronics Corporation	Subsidiary
KEMET Electronics Marketing (S) Pte	Subsidiary
TOKIN Corporation	Subsidiary
Yageo Europe Holding B.V.	Subsidiary
Yageo America LLC.	Subsidiary
Yageo Corporation (South Asia) PTE. LTD.	Subsidiary
Ko-Shin Investment Ltd.	Subsidiary
Yageo Holding (Bermuda) Ltd.	Subsidiary
KEMET ELECTRONICS ASIA LIMITED TAIWAN BRANCH (HONG KONG)	Subsidiary
TOKIN TAIWAN CO., LTD.	Subsidiary
Chilisin Electronics Corp.	Subsidiary
Mag.Layers Scientific-Technics Co., Ltd.	Subsidiary
Kaimei Electronics Corp.	Associate
Ralec Electronic Corp.	Subsidiary of associate
ASJ Pte. Limited	Subsidiary of associate
ASJ Components (M) Sdn. Bhd.	Subsidiary of associate
XSemi Corporation	Associate
Hsin Bung International Co., Ltd.	Substantial related party
Yixin International Co., Ltd.	Substantial related party
Yageo Professional Competition Development Association	Substantial related party
Tong Hsing Electronic Industries, Ltd.	Other related party

b. Sales of goods

Line Item	Related Party Category/Name	For the Year Ended December 31 2022	2021
Sales	Subsidiary		
	Yageo USA (H.K.) Limited	$ 13,967,246	$ 20,350,147
	Yageo Electronics (Dongguan) Co., Ltd.	2,786,571	3,601,578
	Others	6,195,897	8,196,420
	Substantial related party	11,022	48,479
	Associate	9,821	13,615
	Other related party	205	61
		$ 22,970,762	$ 32,210,300

c. Purchases of goods

Related Party Category/Name	For the Year Ended December 31 2022	2021
Subsidiary		
Yageo Electronics (China) Co., Ltd.	$ 8,579,905	$ 12,164,035
Yageo Electronics (Dongguan) Co., Ltd.	7,050,162	9,977,589
Others	305,917	241,835
Substantial related party	704,153	747,411
Associate	45,232	37,589
	$ 16,685,369	$ 23,168,459

d. Contract liabilities

Related Party Category/Name	December 31 2022	2021
Subsidiary		
Yageo USA (H.K.) Limited	$ 2,769,587	$ 3,554,854

e. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	December 31 2022	2021
Trade receivables	Subsidiary		
	Yageo USA (H.K.) Limited	$ 1,288,465	$ 2,599,614
	KEMET Electronics Corporation	477,440	167,755
	Yageo Electronics (China) Co., Ltd.	226,620	977,361
	Yageo Europe Holding B.V.	198,474	568,826
	Others	285,029	438,370
	Substantial related party	2,802	6,942
	Associate	825	5,558
	Other related party	6	64
		$ 2,479,661	$ 4,764,490
Other receivables	Subsidiary	$ 50,357	$ 25,861

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2022 and 2021, no impairment loss was recognized for trade receivable from related parties.

f. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category/Name	December 31 2022	December 31 2021
Trade payables	Subsidiary		
	Yageo Electronics (Dongguan) Co., Ltd.	$ 1,449,496	$ 1,308,962
	Yageo Electronics (China) Co., Ltd.	989,922	3,150,718
	Others	184,845	199,525
	Substantial related party	92,191	173,343
	Associate	6,576	13,599
		$ 2,723,030	$ 4,846,147
Other payables	Subsidiary	$ 17,424	$ 104,487

The outstanding trade payables to related parties are unsecured.

The payment terms for the trade receivable from (trade payable to) related parties were based on the terms of the related contracts. Other related-party transactions were conducted under normal terms.

g. Lease arrangement - Company is lessor

The Company as lessor leases office and plant to its associate and subsidiaries under operating leases with lease term of 2-5 years. As of December 31, 2022 and 2021, the balances of the gross lease payments receivable were $23,225 thousand and $19,330 thousand, respectively.

Lease income was as follows:

Related Party Category	For the Year Ended December 31 2022	For the Year Ended December 31 2021
Subsidiary	$ 12,984	$ 9,126
Associate	197	197
	$ 13,181	$ 9,323

All the terms and conditions of above rental contracts conformed to normal business practice.

h. Acquisition of property, plant and equipment

Related Party Category/Name	Purchase Price For the Year Ended December 31 2022	Purchase Price For the Year Ended December 31 2021
Subsidiary	$ 217,881	$ 4,996

i. Disposal of property, plant and equipment

Related Party Category/Name	Proceeds For the Year Ended December 31 2022	Proceeds For the Year Ended December 31 2021	Gain (Loss) on Disposal For the Year Ended December 31 2022	Gain (Loss) on Disposal For the Year Ended December 31 2021
Subsidiary	$ -	$ 28,804	$ -	$ 698

j. Other transactions with related parties

Line Item	Related Party Category/Name	For the Year Ended December 31 2022	For the Year Ended December 31 2021
Commission expenses	Subsidiary	$ 58,820	$ 131,721
Other expenses	Substantial related party	$ 1,000	$ 1,000
Other - expense reduction	Subsidiary	$ (124)	$ (108)
Other income	Subsidiary	$ 33,903	$ -
	Associate	10,655	-
		$ 44,558	$ -

k. Loans to related parties

Interest revenue

Related Party Category/Name	For the Year Ended December 31 2022	For the Year Ended December 31 2021
Subsidiaries		
Tokin Corporation	$ -	$ 8,264

The Company provided Tokin Corporation with unsecured short-term loans at rates comparable to market interest rates and was paid off in 2021.

l. Loans from related parties

Related Party Category/Name	December 31 2022	December 31 2021
Subsidiary		
Yageo Holding (Bermuda) Ltd.	$ 9,212,400	$ -
Yageo USA (H.K.) Limited	-	8,307,000
Pulse Electronics (Singapore) Pte. Ltd	3,070,800	1,384,500
	$ 12,283,200	$ 9,691,500

Interest expense

Related Party Category/Name	For the Year Ended December 31 2022	2021
Subsidiaries		
Pulse Electronics (Singapore) Pte. Ltd	$ 14,145	$ 6,977
Yageo USA (H.K.) Limited	-	42,603
	$ 14,145	$ 49,580

The Company obtained loans from related parties at rates comparable to market interest rates. The loans from the subsidiaries are unsecured.

m. Remuneration of key management personnel

	For the Year Ended December 31 2022	2021
Short-term employee benefits	$ 937,297	$ 974,688
Post-employment benefits	769	915
	$ 938,066	$ 975,603

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31 2022	2021
Property, plant and equipment, net	$ 2,740,404	$ 2,616,708

The pledged assets mentioned above were provided as collateral for the available unutilized bank borrowings.

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and unrecognized commitments of the Company as of December 31, 2022 and 2021, were as follows:

a. Significant unrecognized commitments

1) Unrecognized commitments were as follows:

	December 31 2022	2021
Acquisition of property, plant and equipment	$ 4,978,495	$ 4,965,399

2) The Company continued to focus on the operating strategy of the high-end niche field and the expansion of the highly designed product portfolio in order to become a leading supplier of high-end electronic component solutions. The Company's board of directors resolved to acquire 100% interest of the advanced temperature sensor business division of Heraeus Nexensos and the advanced industrial and telemecanique sensors business division of Schneider Electric for cash consideration of EUR79.40 million and EUR686 million in August and October 2022, respectively.

b. Contingencies

Contingent liabilities

Please refer to Table 2 about the endorsements/guarantees and between the Company and subsidiaries.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 293,528	30.7080 (USD:NTD)	$ 9,013,658
JPY	7,004,279	0.2330 (JPY:NTD)	1,631,997
EUR	32,898	32.7317 (EUR:NTD)	1,076,807
RMB	168,074	4.4175 (RMB:NTD)	742,467
			$ 12,464,929
Financial liabilities			
Monetary items			
USD	96,438	30.7080 (USD:NTD)	$ 2,961,418
JPY	1,917,517	0.2330 (JPY:NTD)	446,781
EUR	855	32.7317 (EUR:NTD)	27,986
			$ 3,436,185
Non-monetary items			
Investments accounted for using equity method			
USD	10,461	30.7080 (USD:NTD)	$ 321,241

December 31, 2021

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 286,952	27.6900 (USD:NTD)	$ 7,945,701
EUR	86,787	31.3285 (EUR:NTD)	2,718,907
RMB	270,466	4.3438 (RMB:NTD)	1,174,850
HKD	106,001	3.5505 (HKD:NTD)	376,357
JPY	1,013,528	0.2405 (JPY:NTD)	243,753
			$ 12,459,568
Financial liabilities			
Monetary items			
USD	91,289	27.6900 (USD:NTD)	$ 2,527,792
JPY	1,727,252	0.2405 (JPY:NTD)	415,404
EUR	1,074	31.3285 (EUR:NTD)	33,647
			$ 2,976,843
Non-monetary items			
Investments accounted for using equity method			
USD	8,994	27.6900 (USD:NTD)	$ 249,050

For the years ended December 31, 2022 and 2021, realized and unrealized net foreign exchange gains (losses) were $(689,285) thousand and $177,156 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Company.

31. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint controlled entities) (Table 3)

4) Marketable securities acquired or disposed of at costs or prices at least NT$300 million or 20% of the paid-in capital (Table 4)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (Table 5)

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 6)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 7)

9) Trading in derivative instruments (Notes 7 and 26)

b. Information on investees. (Table 8)

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 9)

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:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year. (Table 6)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year. (Table 6)

c) The amount of property transactions and the amount of the resultant gains or losses. (None)

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes. (Table 2)

e) The highest balance, the ending balance, the interest rate range, and total current year interest with respect to financing of funds. (Table 1)

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

d. Information on 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 10)

TABLE 1

YAGEO CORPORATION AND SUBSIDIARIES

FINANCINGS PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period (Foreign Currency in Thousands)	Ending Balance (Foreign Currency in Thousands)	Amount Actually Drawn (Foreign Currency in Thousands)	Interest Rate	Nature for Financing (Note 3)	Transaction Amounts	Reason for Financing	Allowance for Impairment Loss	Collateral		Financing Limits for Each Borrowing Company (Foreign Currency in Thousands) (Note 1)	Financing Company's Total Financing Amount Limits (Foreign Currency in Thousands) (Note 2)
													Item	Value		
0	Yageo Corporation	Kuo-Shin Investment Limited	Receivables from related parties	Yes	$ 2,000,000	$ 2,000,000	$ -	1.04%	b	$ -	For revolving fund	$ -	None	$ -	$ 48,537,743	$ 48,537,743
1	Yageo Holding (Bermuda) Ltd.	Yageo Europe Holding B.V.	Loans to subsidiaries considered as a component of investment	Yes	EUR 172,956	EUR 172,956	EUR 172,956	-	b	-	For revolving fund	-	None	-	US$ 1,960,460	US$ 1,960,460
		Brightking Holdings Ltd.	Receivables from related parties	Yes	US$ 5,000	US$ 2,200	US$ 2,200	-	b	-	For revolving fund	-	None	-	US$ 1,960,460	US$ 1,960,460
		Yageo Corporation	Receivables from related parties	Yes	US$ 300,000	US$ 300,000	US$ 300,000	-	b	-	For revolving fund	-	None	-	US$ 1,960,460	US$ 1,960,460
		Yageo USA (H.K.) Limited	Receivables from related parties	Yes	US$ 518,182	US$ 218,182	US$ 218,182	-	b	-	For revolving fund	-	None	-	US$ 1,960,460	US$ 1,960,460
2	Vitrohm Holding GmbH	Yageo Holding (Bermuda) Ltd.	Receivables from related parties	Yes	EUR 6,568	EUR 6,568	EUR 6,486	1.25%	b	-	For revolving fund	-	None	-	EUR 14,176	EUR 14,176
3	Yageo USA (H.K.) Limited	Yageo Holding (Bermuda) Ltd.	Receivables from related parties	Yes	US$ 50,000	-	-	-	b	-	For revolving fund	-	None	-	US$ 31,856	US$ 31,856
		Yageo Corporation	Receivables from related parties	Yes	US$ 400,000	-	-	-	b	-	For revolving fund	-	None	-	US$ 31,856	US$ 31,856
4	Yageo (Suzhou) Trade Co., Ltd.	Yageo Electronics (China) Co., Ltd.	Receivables from related parties	Yes	RMB 300,000	RMB 300,000	-	2.00%	b	-	For revolving fund	-	None	-	RMB 150,878	RMB 150,878
5	Yageo Europe Holding B.V.	Yageo USA (H.K.) Limited	Receivables from related parties	Yes	US$ 52,000	US$ 52,000	US$ 52,000	0.50%	b	-	For revolving fund	-	None	-	EUR 133,904	EUR 133,904
6	Bestbright Electronics Co., Ltd.	Yageo Components (Jiashan) Co, Ltd.	Other receivables - related parties	Yes	RMB 5,000	-	-	-	b	-	For revolving fund	-	None	-	RMB 230,946	RMB 230,946
7	Kuo-Shin Investment Limited	Ko-E Component Co., Ltd.	Receivables from related parties	Yes	200,000	200,000	115,000	1.50%	b	-	For revolving fund	-	None	-	401,727	401,727
8	Yageo Holding Hungary LLC	KEMET Corporation	Receivables from related parties	Yes	US$ 100,000	-	-	-	b	-	For revolving fund	-	None	-	US$ 2,457,352	US$ 2,457,352
9	Pulse Components. Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	Receivables from related parties	Yes	US$ 18,000	US$ 18,000	US$ 18,000	-	a	US$ 32,273	-	-	None	-	US$ 32,273	US$ 32,273
10	Pulse Electronics (Singapore) Pte. Ltd.	Yageo Corporation	Receivables from related parties	Yes	US$ 100,000	US$ 100,000	US$ 100,000	0.50%	b	-	For revolving fund	-	None	-	US$ 218,792	US$ 218,792
		Pulse India	Receivables from related parties	Yes	US$ 5,600	US$ 5,600	US$ 5,600	1.00%	b	-	For revolving fund	-	None	-	US$ 218,792	US$ 218,792
11	TOKIN Corporation	KEMET Corporation	Receivables from related parties	Yes	JPY 11,000,000	JPY 5,500,000	JPY 5,500,000	2.13636%	b	-	For revolving fund	-	None	-	JPY 54,297,557	JPY 54,297,557
		KEMET Corporation	Receivables from related parties	Yes	JPY 16,500,000	JPY 16,500,000	JPY 16,500,000	2.38636%	b	-	For revolving fund	-	None	-	JPY 54,297,557	JPY 54,297,557
12	KEMET Electronics Corporation	KEMET Electronics Bulgaria EAD	Receivables from related parties	Yes	EUR 8,000	EUR 8,000	EUR 7,500	2.50%	b	-	For revolving fund	-	None	-	US$ 1,720,123	US$ 1,720,123
		KEMET Electronics Italia SRL	Receivables from related parties	Yes	EUR 26,376	EUR 26,376	EUR 26,376	-	b	-	For revolving fund	-	None	-	US$ 1,720,123	US$ 1,720,123
13	KEMET Electronics (Suzhou) Co., Ltd.	Shanghai Arcotronics Components & Machineries Co., Ltd.	Receivables from related parties	Yes	RMB 5,300	RMB 5,300	-	3.65%	b	-	For revolving fund	-	None	-	US$ 103,027	US$ 103,027
14	EGSTON System Electronics Eggenburg GmbH	EGSTON System Electronic spol.s.r.o.	Receivables from related parties	Yes	EUR 5,100	EUR 5,100	EUR 4,100	4.547%	b	-	For revolving fund	-	None	-	US$ 18,424	US$ 18,424
15	EGSTON Automotive Eggenburg GmbH	EGSTON Holding GmbH	Receivables from related parties	Yes	EUR 1,500	EUR 1,500	-	4.547%	b	-	For revolving fund	-	None	-	US$ 2,457	US$ 2,457

(Continued)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period (Foreign Currency in Thousands)	Ending Balance (Foreign Currency in Thousands)	Amount Actually Drawn (Foreign Currency in Thousands)	Interest Rate	Nature for Financing (Note 3)	Transaction Amounts	Reason for Financing	Allowance for Impairment Loss	Collateral		Financing Limits for Each Borrowing Company (Foreign Currency in Thousands) (Note 1)	Financing Company's Total Financing Amount Limits (Foreign Currency in Thousands) (Note 2)
													Item	Value		
16	EGSTON Far East GmbH	EGSTON System Electronics Eggenburg GmbH	Receivables from related parties	Yes	EUR 2,200	EUR 2,200	$ -	4.547%	b	$ -	For revolving fund	$ -	None	$ -	US$ 3,848	US$ 3,848
17	Maxtop Profits Limited	Pulse Component Ltd.	Receivables from related parties	Yes	US$ 13,500	US$ 12,055	US$ 12,055	-	b	-	For revolving fund	-	None	-	US$ 25,250	US$ 25,250
		Acadia Electronics Co., Ltd.	Receivables from related parties	Yes	US$ 12,000	US$ 9,145	US$ 9,145	-	b	-	For revolving fund	-	None	-	US$ 25,250	US$ 25,250
18	Pulse Finland Oy	Pulse Electronics Korea YH	Receivables from related parties	Yes	EUR 5,000	EUR 5,000	EUR 4,992	0.50%	b	-	For revolving fund	-	None	-	US$ 7,736	US$ 7,736
19	Pulse Electronics Inc.	Pulse Electronics (Singapore) Pte Ltd.	Receivables from related parties	Yes	US$ 35,000	US$ 35,000	US$ 35,000	1.60%	b	-	For revolving fund	-	None	-	US$ 241,175	US$ 241,175
20	Dongguan Chilisin Electronics Co., Ltd.	Mag. Layers International Co., Ltd.	Other receivables - related parties	Yes	RMB 204,750	RMB 204,750	RMB 204,750	3.50%	b	-	For revolving fund	-	None	-	RMB 555,810	RMB 555,810
21	Chilisin Holding (Hong Kong) Limited	Mag. Layers International Co., Ltd.	Other receivables - related parties	Yes	US$ 5,200	US$ 5,200	US$ 5,200	1.10%	b	-	For revolving fund	-	None	-	US$ 112,456	US$ 112,456
22	Bothhand International Investment Co., Ltd.	Chilisin International Ltd.	Other receivables - related parties	Yes	US$ 9,000	-	-	-	b	-	For revolving fund	-	None	-	US$ 55,259	US$ 55,259

Note 1: For the Company and its domestic investees (Kuo-Shin Investment Limited) business relationship, financing limit to each borrowing company is the amount of business operation (based on the previous year's actual sales and purchase amount when the loan contract was awarded). The financing limit to the counterparty which has short-term loan need is 40% of its net worth presented in the latest financial statements audited or reviewed by auditors. According to the financing procedure for Company's overseas investees, maximum financing amount that can be made by Yageo Holding (Bermuda) Ltd., Yageo USA (H.K.) Limited, Yageo (Suzhou) Trade Co., Ltd., Yageo Holding Hungary LLC, Vitrohm Holding GmbH, Yageo Europe Holding B.V., Bestbright Electronics Co., Ltd., Pulse Electronics (Singapore) Pte. Ltd., Pulse Electronics Inc., EGSTON System Electronics Eggenburg GmbH, EGSTON Automotive Eggenburg GmbH, EGSTON Far East GmbH, Maxtop Profits Limited, TOKIN Corporation, KEMET Electronics Corporation, KEMET Electronics (Suzhou) Co., Ltd., Dongguan Chilisin Electronics Co., Ltd., Chilisin Holding (Hong Kong) Limited and Bothhand International Investment Co., Ltd. is 100% of each net worth presented in the latest financial statements audited or reviewed by auditors. For Pulse Finland Oy, the maximum financing amount that can be made is limited to 200% of each net worth presented in the latest financial statements audited or reviewed by auditors. For Pulse Components Ltd., the maximum financing amount that can be made is limited to the transaction amount between the two parties in the past year or expected in the next year.

Note 2: For the Company and its domestic investees (Kuo-Shin Investment Limited) the financing amount to each counterparty is limited to 40% of its net worth presented in the latest financial statements audited or reviewed by auditors. According to the financing procedures for Company's overseas investees, maximum financing amount that can be made by Yageo Holding (Bermuda) Ltd., Yageo USA (H.K.) Limited, Yageo (Suzhou) Trade Co., Ltd., Yageo Holding Hungary LLC, Vitrohm Holding GmbH, Yageo Europe Holding B.V., Bestbright Electronics Co., Ltd., Pulse Electronics (Singapore) Pte. Ltd., Pulse Electronics Inc., EGSTON System Electronics Eggenburg GmbH, EGSTON Automotive Eggenburg GmbH, EGSTON Far East GmbH, Maxtop Profits Limited, TOKIN Corporation, KEMET Electronics Corporation, KEMET Electronics (Suzhou) Co., Dongguan Chilisin Electronics Co., Ltd., Chilisin Holding (Hong Kong) Limited and Bothhand International Investment Co., Ltd. is 100% of each net worth presented in the latest financial statements audited or reviewed by auditors. For Pulse Finland Oy, the maximum financing amount that can be made is 200% of each net worth presented in the latest financial statements audited or reviewed by auditors. For Pulse Components Ltd., the maximum financing amount that can be made is limited to the transaction amount between the two parties in the past year or expected in the next year.

Note 3: Reasons for financing are as follows:

a. Business relationship.

b. For financing. According to Letter No. 0980000271 issued by the FSC on January 15, 2009, which revised article 3 of the operating procedures of the regulation on financing provided and endorsement/guarantee provided, the overseas investees in which the Company has 100% ownership and voting rights directly and indirectly, the financing amount to each counterparty is not subject to the short-term financing limit. However, the limits and the terms for the financing should still be specified by the financing procedures.

Note 4: The currency exchange rates on December 31, 2022 of NTD to HKD, USD, JPY, EUR and RMB were 1:3.9382, 1:30.708, 1:0.233, 1:32.7317 and 1:4.4175, respectively; the currency exchange rates of USD to HKD, JPY, EUR, and RMB were 1:0.1282, 1:0.0076, 1:1.0659 and 1:0.1439, respectively.

(Concluded)

TABLE 2

YAGEO CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 1)	Maximum Balance for the Period (Foreign Currency in Thousands)	Ending Balance (Foreign Currency in Thousands)	Amount Actually Drawn (Foreign Currency in Thousands)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Note 2)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship										
0	Yageo Corporation	Yageo Holding (Bermuda) Ltd.	Subsidiary	$ 121,344,357	$ 9,721,072 (US$ 284,000 NT$ 1,000,000)	$ 6,650,272 (US$ 184,000 NT$ 1,000,000)	$ -	$ -	5.48%	$ 182,016,536	Yes	No	No
		The shared borrowing facilities of Yageo Electronics (China) Co., Ltd. and Yageo Electronics (Dongguan) Co., Ltd.	Subsidiary	121,344,357	736,992 (US$ 24,000)	736,992 (US$ 24,000)	-	-	0.61%	182,016,536	Yes	No	Yes
		Yageo USA (H.K.) Limited	Subsidiary	121,344,357	61,416 (US$ 2,000)	61,416 (US$ 2,000)	-	-	0.05%	182,016,536	Yes	No	No
		Kuo-Shin Investment Limited	Subsidiary	121,344,357	500,000	500,000	100,000	-	0.41%	182,016,536	Yes	No	No
		Ko-E Component Co., Ltd.	Subsidiary	121,344,357	33,071	-	-	-	-	182,016,536	Yes	No	No
		TOKIN Corporation	Subsidiary	121,344,357	6,407,500 (JPY 27,500,000)	6,407,500 (JPY 27,500,000)	2,074,632 (JPY 8,904,000)	-	5.28%	182,016,536	Yes	No	No
1	TOKIN Corporation	TOKIN Electronics (Thailand) Co., Ltd.	Subsidiary	12,651,331	1,222,221 (JPY 5,245,583)	1,222,221 (JPY 5,245,583)	-	-	8.55%	18,976,997	Yes	No	No
2	KEMET Corporation, The Forest Electric Company	KEMET Electronics Corporation/The Forest Electric Company/KEMET Electronics Marketing Services Singapore	Subsidiary	72,114,022	2,303,100 (US$ 75,000)	1,535,400 (US$ 50,000)	-	-	2.13%	108,071,033	Yes	No	No
3	Chilisin Electronics Corp.	Chilisin International Ltd.	Subsidiary	13,679,988	2,210,976	1,627,524	-	-	5.95%	27,359,976	Yes	No	No
		Chilisin Electronics (Vietnam) Limited company	Subsidiary	13,679,988	2,630,268	2,538,144	98,266	-	9.28%	27,359,976	Yes	No	No
		Ferroxcube Hong Kong Limited	Subsidiary	13,679,988	331,646	331,646	-	-	1.21%	27,359,976	Yes	No	No
		Ferroxcube Polska Sp. Z.o.o.	Subsidiary	13,679,988	61,416	61,416	-	-	0.22%	27,359,976	Yes	No	No
4	Magic Technology Co., Ltd.	Classic Magic Developments Limited (Samoa)	Subsidiary	533,210	218,126	-	-	-	-	1,066,419	Yes	No	No

Note 1: For the Company and its overseas investees, endorsements or guarantees to each counterparty are limited to 100% of its net worth presented in the latest financial statements. For Chilisin Electronics Corp. and Magic Technology Co., Ltd., endorsements or guarantees to each counterparty are limited to 50% of its net worth presented in the latest financial statements.

Note 2: Maximum endorsements/guarantees allowed for the Company and its overseas investees are 150% of its net worth presented in the latest financial statements. Maximum endorsements/guarantees allowed for Chilisin Electronics Corp. and Magic Technology Co., Ltd. are 100% of its net worth presented in the latest financial statements.

Note 3: The endorsements/guarantees were based on the currency exchange rates on December 31, 2022, of NTD to USD and JPY, which were 1:30.708 and 1:0.233, respectively.

TABLE 3

YAGEO CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note)	
Yageo Corporation	Shares							
	Linko International Golf & Country Club	-	Financial assets at FVTPL - non-current	-	$ 482	0.10	$ 482	1
	Fubon Financial Holding Co., Ltd. Preferred Shares C	-	Financial assets at FVTOCI - non-current	5,000	275,500	1.50	275,500	1
	Cathay Financial Holding Co., Ltd. Preferred Shares A	-	Financial assets at FVTOCI - non-current	1,598	90,447	0.19	90,447	1
	Fubon Financial Holding Co., Ltd. Preferred Shares A	-	Financial assets at FVTOCI - non-current	1,586	95,794	0.26	95,794	1
	Bonds							
	Citigroup Global Markets Holdings	-	Financial assets at amortized cost - non-current	-	448,440	-	448,440	2
	HSBC Holdings PLC	-	Financial assets at amortized cost - non-current	-	408,708	-	408,708	2
	Goldman Sachs BDC Inc.	-	Financial assets at amortized cost - non-current	-	402,186	-	402,186	2
	Bnp Paribas	-	Financial assets at amortized cost - non-current	-	287,138	-	287,138	2
	QNBK	-	Financial assets at amortized cost - non-current	-	287,138	-	287,138	2
	TSMC Global Ltd.	-	Financial assets at amortized cost - non-current	-	285,294	-	285,294	2
	Hon Hai Technology Group (Foxconn)	-	Financial assets at amortized cost - non-current	-	118,553	-	118,553	2
	UBS Group	-	Financial assets at amortized cost - non-current	-	114,405	-	114,405	2
	Structured notes							
	Sercomm Corporation credit-linked structured notes	-	Financial assets at FVTPL - non-current	-	100,224	-	100,224	1
	Giant Manufacturing Co., Ltd. credit-linked structured notes	-	Financial assets at FVTPL - non-current	-	30,218	-	30,218	1
Kuo-Shin Investment Limited	Shares							
	Hsin Bung International Co., Ltd.	-	Financial assets at FVTPL - non-current	2,761	33,622	16.59	33,622	1
	Jihsun Securities Investment Trust Co., Ltd.	-	Financial assets at FVTPL - non-current	1,560	12,000	4.00	12,000	1
	Ta-I Technology Co., Ltd.	-	Financial assets at FVTOCI - non-current	-	1	-	1	1
	Yageo Corporation	Parent company	Financial assets at FVTOCI - non-current	802	361,730	0.19	361,730	1, 3
Yageo Holding (Bermuda) Ltd.	Shares							
	Canoo Inc.	-	Financial assets at FVTPL - current	1,000	37,771	0.28	37,771	1
	Bonds							
	Chailease Int`L Finance Corp.	-	Financial assets at amortized cost - non-current	-	822,961	-	822,961	2
	Citigroup Global Markets Holdings Inc.	-	Financial assets at amortized cost - non-current	-	755,426	-	755,426	2
	Formosa Plastics Corporation	-	Financial assets at amortized cost - non-current	-	626,983	-	626,983	2
	Sumitomo Mitsui Trust Bank	-	Financial assets at amortized cost - non-current	-	597,783	-	597,783	2
	Hon Hai Technology Group (Foxconn)	-	Financial assets at amortized cost - non-current	-	471,472	-	471,472	2
	HBC Holdings PLC	-	Financial assets at amortized cost - non-current	-	380,730	-	380,730	2
	Lloyds Banking Group	-	Financial assets at amortized cost - non-current	-	313,137	-	313,137	2

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note)	
	Goldman Sachs Finance Corp International Ltd	-	Financial assets at amortized cost - non-current	-	$ 300,938	-	$ 300,938	2
	Nissan Motor Co., Ltd.	-	Financial assets at amortized cost - non-current	-	300,135	-	300,135	2
	Mitsubishi UFJ Financial Group	-	Financial assets at amortized cost - non-current	-	299,737	-	299,737	2
	Nomura Holdings, Inc.	-	Financial assets at amortized cost - non-current	-	293,414	-	293,414	2
	BNP Paribas	-	Financial assets at amortized cost - non-current	-	287,138	-	287,138	2
	Emirates NBD	-	Financial assets at amortized cost - non-current	-	287,138	-	287,138	2
	TSMC	-	Financial assets at amortized cost - non-current	-	284,049	-	284,049	2
	Barclays PLC	-	Financial assets at amortized cost - non-current	-	227,705	-	227,705	2
	Goldman Sachs BDC Inc.	-	Financial assets at amortized cost - non-current	-	214,824	-	214,824	2
	SOCIETE GENERALE	-	Financial assets at amortized cost - non-current	-	165,501	-	165,501	2
	UBS Group	-	Financial assets at amortized cost - non-current	-	114,455	-	114,455	2
	China Huarong International Holdings	-	Financial assets at amortized cost - non-current	-	92,063	-	92,063	2
	Structured notes							
	Goldman Sachs structured notes	-	Financial assets at FVTPL - non-current	-	592,910	-	592,910	1
	Foreign private fund							
	SMART Growth Fund, L.P.	-	Financial assets at FVTPL - non-current	-	241,378	1.60	241,378	1
	New Epoch Investment Partners Limited	-	Financial assets at FVTPL - non-current	-	121,341	1.92	121,341	1
Yageo Europe Holding B.V.	Bonds							
	Citigroup Global Markets Holdings Inc.	-	Financial assets at amortized cost - non-current	-	460,620	-	460,620	2
	HSBC Holdings PLC	-	Financial assets at amortized cost - non-current	-	433,630	-	433,630	2
	Imperial Brands	-	Financial assets at amortized cost - non-current	-	301,806	-	301,806	2
	Nissan Motor Co., Ltd.	-	Financial assets at amortized cost - non-current	-	289,255	-	289,255	2
	QNBK	-	Financial assets at amortized cost - non-current	-	287,140	-	287,140	2
	ABN Amro Bank N.V.	-	Financial assets at amortized cost - non-current	-	286,916	-	286,916	2
	NatWest Group	-	Financial assets at amortized cost - non-current	-	253,400	-	253,400	2
	Morgan Stanley	-	Financial assets at amortized cost - non-current	-	252,366	-	252,366	2
	Barclays	-	Financial assets at amortized cost - non-current	-	251,236	-	251,236	2
	Goldman Sachs BDC Inc.	-	Financial assets at amortized cost - non-current	-	249,730	-	249,730	2
	Credit Agricole SA	-	Financial assets at amortized cost - non-current	-	162,796	-	162,796	2
	Lloyds Banking Group	-	Financial assets at amortized cost - non-current	-	162,430	-	162,430	2
	DBS Group Holdings Ltd.	-	Financial assets at amortized cost - non-current	-	155,767	-	155,767	2
	Argentum Netherlands BV	-	Financial assets at amortized cost - non-current	-	92,124	-	92,124	2
Ko-E Technology (Shenzhen) Co., Ltd.	Structured deposits							
	China Construction Bank Qianyuan-Hengying Net Value RMB Financial Products	-	Financial assets at FVTPL - current	-	287,040	-	287,040	1
	CCB Wealth Management Tiantianli Financial Products	-	Financial assets at FVTPL - current	-	287,040	-	287,040	1
Yageo Electronics (Dongguan). Co., Ltd.	Structured deposits							
	Bank of China Linked Financial Products	-	Financial assets at FVTPL - current	-	176,635	-	176,635	1
	Fubon Bank (China) structured products	-	Financial assets at FVTPL - current	-	132,476	-	132,476	1
	Bank of Dongguan Yulan Wealth Management Wanlibao cash No.1	-	Financial assets at FVTPL - current	-	71,979	-	71,979	1
	Fubon Bank (China) structured products	-	Financial assets at FVTPL - current	-	88,317	-	88,317	1

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note)	
Yageo Electronics (China) Co.,	Structured deposits							
	China CITIC Bank RMB structured deposit pegged to exchange rate	-	Financial assets at FVTPL - current	-	$ 220,793	-	$ 220,793	1
Yageo (Suzhou) Trade Co., Ltd.	Structured deposits							
	China Everbright Bank structured products No. 2	-	Financial assets at FVTPL - current	-	441,587	-	441,587	1
	China Everbright Bank structured products No. 12	-	Financial assets at FVTPL - current	-	441,587	-	441,587	1
Bestbright Electronics Co., Ltd.	Structured deposits							
	Fubon Bank (China) RMB interest rate structured products (monthly distribution)	-	Financial assets at FVTPL - current	-	220,875	-	220,875	1
Kemet Electronics Corporation	Bonds							
	Citigroup Global Markets Holdings Inc.	-	Financial assets at amortized cost - non-current	-	307,080	-	307,080	2
TOKIN Corporation	Shares							
	Sanshin Electronics Co., Ltd.	-	Financial assets at FVTPL - non-current	50	27,974	0.31	27,974	1
	Ryosan Co Ltd.	-	Financial assets at FVTPL - non-current	32	21,096	0.13	21,096	1
	The 77 Bank Ltd.	-	Financial assets at FVTPL - non-current	30	15,576	0.04	15,576	1
	Hagiwara Electric Holdings Co Ltd.	-	Financial assets at FVTPL - non-current	10	5,711	0.11	5,711	1
	SK Tech Co., Ltd.	-	Financial assets at FVTPL - non-current	13	630	5.95	630	1
	Nyuzen Machidukuri Kahihatsu	-	Financial assets at FVTPL - non-current	-	23	1.00	23	1
	Tohoku Magnet Institute	-	Financial assets at FVTPL - non-current	57	-	2.37	-	1
	Aiwa Seimitsu	-	Financial assets at FVTPL - non-current	2	-	5.00	-	1
	Neo Photonics Corporation	-	Financial assets at FVTPL - non-current	1	-	-	-	1
	Sendai Port Trade Promotion Center	-	Financial assets at FVTPL - non-current	-	-	0.23	-	1
Pulse Electronics Corporation	Bonds							
	Chailease Int'L Finance Corp.	-	Financial assets at amortized cost - non-current	-	108,537	-	108,537	2
Chilisin Electronics Corp.	Shares							
	Fubon Financial Holding Co., Ltd. Preferred Shares C	-	Financial assets at FVTOCI - non-current	2,333	128,548	0.70	128,548	1
	Fubon Financial Holding Co., Ltd. Preferred Shares A	-	Financial assets at FVTOCI - non-current	2,195	132,578	0.37	132,578	1
	Fubon Financial Holding Co., Ltd. Preferred Shares B	-	Financial assets at FVTOCI - non-current	1,106	63,595	0.17	63,595	1
	Cathay Financial Holding Co., Ltd. Preferred Shares A	-	Financial assets at FVTOCI - non-current	434	24,565	0.05	24,565	1
	Structured notes							
	Elite Material Co., Ltd. credit-linked structured notes	-	Financial assets at FVTPL - non-current	-	50,000	-	50,000	1
	Merry Electronics Co., Ltd. credit-linked structured notes	-	Financial assets at FVTPL - non-current	-	35,000	-	35,000	1
Chilisin International Ltd.	Bonds							
	Chailease Int'L Finance Corp.	-	Financial assets at amortized cost - non-current	-	436,640	-	436,640	2
	HSBC Holdings PLC	-	Financial assets at amortized cost - non-current	-	95,732	-	95,732	2
	Formosa Plastics Corporation	-	Financial assets at amortized cost - non-current	-	90,550	-	90,550	2
	The Shanghai Commercial & Savings Bank, Ltd.	-	Financial assets at amortized cost - non-current	-	40,304	-	40,304	2

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note)	
Hunan Chilisin Electronics Technology Co., Ltd.	Structured deposits Fubon Bank (China) RMB interest rate structured products (monthly distribution)	-	Financial assets at FVTPL - current	-	$ 88,732	-	$ 88,732	1
Dongguan Chilisin Electronics Co., Ltd.	Structured deposits Fubon Bank (China) RMB interest rate structured products (monthly distribution)	-	Financial assets at FVTPL - current	-	441,037	-	441,037	1
Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	Structured deposits Fubon Bank (China) RMB interest rate structured products (monthly distribution)	-	Financial assets at FVTPL - current	-	368,622	-	368,622	1
Magic Technology Co., Ltd.	Shares Tecstar Technology Co., Ltd.	-	Financial assets at FVTOCI - non-current	136	1,111	0.60	1,111	1
Magic Electronic Technology (Shenzhen) Co., Ltd.	Structured deposits Shanghai Pudong Development Bank structured products	-	Financial assets at FVTPL - current	-	66,263	-	66,263	1
Magic Trade (Shenzhen) Co., Ltd.	Structured deposits Shanghai Pudong Development Bank structured products	-	Financial assets at FVTPL - current	-	22,088	-	22,088	1
Magic Electronic Technology (Chongqing) Co., Ltd.	Structured deposits Fubon Bank (China) RMB interest rate structured products	-	Financial assets at FVTPL - current	-	39,758	-	39,758	1
Guangzhou Bothhand Electronics	Structured deposits Industrial and Commercial Bank of China Tianlibao Net Value Financial Products	-	Financial assets at FVTPL - current	-	52	-	52	1
Deyang Bothhand Electronics Co., Ltd.	Structured deposits Industrial and Commercial Bank of China Tianlibao No. 2 Net Value Financial Products	-	Financial assets at FVTPL - current	-	136,347	-	136,347	1
	Bank of China Wealth Management Enjoy Everyday	-	Financial assets at FVTPL - current	-	44,189	-	44,189	1
	Industrial and Commercial Bank of China Tianlibao Net Value Financial Products	-	Financial assets at FVTPL - current	-	26,513	-	26,513	1
Guangzhou Chenghan Electronic Technology Co., Ltd.	Structured deposits Bank of China Accumulation Plan - Daily	-	Financial assets at FVTPL - current	-	151,890	-	151,890	1
Deyang Hongyi Electronics Co., Ltd.	Structured deposits Bank of China Accumulation Plan - Daily	-	Financial assets at FVTPL - current	-	103,734	-	103,734	1
	Bank of China Wealth Management Enjoy Everyday	-	Financial assets at FVTPL - current	-	35,603	-	35,603	1
Deyang Shisheng Electronics Co., Ltd.	Structured deposits Bank of China Accumulation Plan - Daily	-	Financial assets at FVTPL - current	-	5	-	5	1
	Bank of China Wealth Management Enjoy Everyday	-	Financial assets at FVTPL - current	-	2	-	2	1

(Continued)

Note 1: The listed ordinary shares and preference shares were valued by their closing prices as of December 31, 2022. The unlisted ordinary shares were determined using the discounted cash flow method. The debt investments with no active market were valued using the evaluated information provided by the Company. The foreign private funds were valued using the asset-based approach. The structured notes and deposits were valued using the valuation technique, the quoted market price of its competitors and the future cash flows.

Note 2: The carrying amount is calculated at amortized cost.

Note 3: The Company's ordinary shares held by subsidiaries are treated as treasury shares.

(Concluded)

YAGEO CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance (Note 3)	
					Shares/Units	Amount (Foreign Currency in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currency in Thousands)	Shares/Units	Amount (Foreign Currency in Thousands)	Carrying Value (Foreign Currency in Thousands)	Gain/Loss on Disposal	Shares/Units (In Thousands)	Amount (Foreign Currency in Thousands)
Yageo Corporation	Chilisin Electronics Corp. (Note 2)	Investments accounted for using the equity method	-	-	25,276,032	$ 2,814,990	238,657,905	$ 20,235,500	-	$ -	$ -	$ -	316,720,724	$ 27,359,975
Yageo Holding (Bermuda) Ltd.	Goldman Sachs structured notes	Financial assets at FVTPL - non-current	Goldman Sachs Finance Corp International Ltd.	-	-	-	-	US$ 20,000	-	-	-	-	-	US$ 19,308
	Bonds - Formosa Plastics Corporation	Financial assets at amortized cost - non-current	KGI Securities Co., Ltd.	-	-	-	-	US$ 20,581	-	-	-	-	-	US$ 20,418
Shenzhen Chilisin Electronics Co., Ltd.	Industrial and Commercial Bank of China Tianlibao Net Value Financial Products	Financial assets at FVTPL - current	Industrial and Commercial Bank of China	-	-	RMB 20,000	-	RMB 25,000	-	RMB 45,028	RMB 45,000	RMB 28	-	-
Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	Fubon Bank (China) RMB interest rate structured products (monthly distribution)	Financial assets at FVTPL - current	Fubon Bank (China)	-	-	RMB 76,786	-	RMB 253,660	-	RMB 249,684	RMB 247,000	RMB 2,684	-	RMB 83,446
Dongguan Chilisin Electronics Co., Ltd.	Fubon Bank (China) RMB interest rate structured products (monthly distribution)	Financial assets at FVTPL - current	Fubon Bank (China)	-	-	RMB 77,183	-	RMB 345,356	-	RMB 325,823	RMB 322,700	RMB 3,123	-	RMB 99,839
Hunan Chilisin Electronics Technology Co., Ltd.	Fubon Bank (China) RMB interest rate structured products (monthly distribution)	Financial assets at FVTPL - current	Fubon Bank (China)	-	-	-	-	RMB 98,000	-	RMB 78,631	RMB 78,000	RMB 631	-	RMB 20,086
	Agricultural Bank of China ABC Ingenuity Tiantianli	Financial assets at FVTPL - current	Agricultural Bank of China	-	-	-	-	RMB 89,000	-	RMB 89,476	RMB 89,000	RMB 476	-	-

Note 1: The marketable securities mentioned in this table refer to shares, bonds, beneficiary certificates, and securities derived from the above items.

Note 2: The Company acquired 100% of the interest of Chilisin Electronics Corp. in a share exchange agreement on January 5, 2022. The aforementioned share exchange transaction was an organizational restructuring under common control and regarded as a combination from the beginning.

Note 3: The ending balance include investment income or loss for using the equity method and related adjustment items.

TABLE 5

YAGEO CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE PROPERTIES AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Types of Property	Transaction Date	Transaction Amount	Payment Term	Counterparty	Nature of Relationships	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
Yageo Corporation	Plant Construction	October 26, 2022	$ 1,632,750	Based on the terms in the purchase order	ACTER GROUP CORPORATION LIMITED	Non-related parties	-	-	-	$ -	Price comparison and price negotiation	Manufacturing purpose	-

YAGEO CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Related Party	Nature of Relationships	Transaction Details (Note)				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount (Foreign Currency in Thousands)	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Foreign Currency in Thousands)	% to Total	
Yageo Corporation	Yageo Corporation (South Asia)	Subsidiary	Sale	$ (1,379,729)	(5)	T/T 90 days	$ -	-	$ 77,547	3	-
	Yageo Europe Holding B.V.	Subsidiary	Sale	(1,891,649)	(7)	Offset account T/T 45 days	-	-	133,087	4	-
	Yageo USA (H.K.) Limited	Subsidiary	Sale	(13,967,246)	(51)	Offset account T/T 90 days	-	-	-	-	-
	Yageo Electronics (China) Co., Ltd.	Subsidiary	Sale	(1,305,167)	(5)	T/T 90 days	-	-	229,046	8	-
			Purchase	8,579,905	39	T/T 90 days	-	-	(989,922)	(18)	-
	Yageo Electronics (Dongguan) Co., Ltd.	Subsidiary	Sale	(2,786,571)	(10)	Offset account T/T 90 days	-	-	-	-	-
			Purchase	7,050,162	32	Offset account T/T 90 days	-	-	(1,449,415)	(26)	-
	Ko-E Electronics Trade Co., Ltd.	Subsidiary	Sale	(356,702)	(1)	T/T 90 days	-	-	62,792	2	-
	Yageo Components (Suzhou) Co., Ltd.	Subsidiary	Purchase	146,903	1	T/T 90 days	-	-	(41,143)	(1)	-
	Ko-E (H.K.) Limited	Subsidiary	Sale	(355,628)	(1)	T/T 90 days	-	-	64,988	2	-
	KEMET Electronics Corporation	Subsidiary	Sale	(768,720)	(3)	T/T 90 days	-	-	488,672	16	-
Yageo Electronics (China) Co., Ltd.	Ko-E (H.K.) Limited	Associate	Sale	RMB (292,496)	(11)	T/T 90 days	-	-	RMB 17,157	2	-
	Yageo Europe Holding B.V.	Associate	Sale	RMB (202,608)	(7)	T/T 90 days	-	-	RMB 33,970	5	-
Yageo USA (H.K.) Limited	Yageo Electronics (Dongguan) Co., Ltd.	Associate	Sale	US$ (82,230)	(17)	T/T 90 days	-	-	US$ 40,219	23	-
	Yageo (Suzhou) Trade Co., Ltd.	Associate	Sale	US$ (137,922)	(29)	T/T 90 days	-	-	US$ 76,325	44	-
	Ko-E (H.K.) Limited	Associate	Sale	US$ (88,450)	(19)	T/T 90 days	-	-	US$ 18,941	11	-
Yageo (Suzhou) Trade Co., Ltd.	Ko-E Technology (Shenzhen) Co., Ltd.	Associate	Sale	RMB (638,326)	(61)	T/T 65 days	-	-	RMB 389,028	77	-
Bestbright Electronics Co., Ltd.	Ko-E Technology (Shenzhen) Co., Ltd.	Associate	Sale	RMB (308,721)	(79)	T/T 30-60 days	-	-	RMB 75,229	76	-
Dongguan Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	Sale	US$ (73,661)	(11)	T/T 90 days	-	-	US$ 51,461	40	-
	Pulse Electronics GmbH	Associate	Sale	US$ (4,845)	(1)	T/T 90 days	-	-	US$ 20,850	16	-
Mian Yang Pulse Electronics Co., Ltd.	Pulse Electronics Inc.	Parent company	Sale	US$ (9,551)	(1)	T/T 90 days	-	-	US$ 6,847	5	-
	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	Sale	US$ (59,568)	(9)	T/T 90 days	-	-	US$ 7,128	6	-
Pulse (Suzhou) Wireless Products Co., Ltd.	Pulse Electronics Inc.	Parent company	Sale	US$ (9,310)	(1)	T/T 90 days	-	-	US$ 2,225	2	-
	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	Sale	US$ (22,359)	(3)	T/T 90 days	-	-	US$ (1,251)	(1)	-
Suining Pulse Electronics Co., Ltd.	Pulse Electronics Inc.	Parent company	Sale	US$ (5,333)	(1)	T/T 90 days	-	-	US$ 691	1	-
	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	Sale	US$ (49,298)	(7)	T/T 90 days	-	-	US$ 10,689	8	-
Pulse Components. Ltd.	Pulse Electronics Inc.	Parent company	Sale	US$ (10,792)	(2)	T/T 90 days	-	-	US$ 2,330	2	-
	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	Sale	US$ (32,538)	(5)	T/T 90 days	-	-	US$ 19,023	15	-
EGSTON System Electronics Eggenburg GmbH	EGSTON Automotive Eggenburg GmbH	Associate	Sale	US$ (4,705)	(1)	T/T 30 days	-	-	US$ 7,955	6	-
	EGSTON System Electronic spol.s.r.o.	Associate	Sale	US$ (3,457)	(1)	T/T 30 days	-	-	US$ 6,803	5	-
EGSTON System Electronic spol.s.r.o.	EGSTON System Electronics Eggenburg GmbH	Associate	Sale	US$ (52,677)	(8)	T/T 30 days	-	-	US$ 154	-	-
	EGSTON Automotive Eggenburg GmbH	Associate	Sale	US$ (49,881)	(7)	T/T 30 days	-	-	US$ 4,959	4	-
EGSTON Electronics Zhuhai Ltd.	EGSTON Far East GmbH	Associate	Sale	US$ (12,277)	(2)	T/T 30 days	-	-	US$ 3,807	3	-

(Continued)

Company Name	Related Party	Nature of Relationships	Transaction Details (Note)				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount (Foreign Currency in Thousands)	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Foreign Currency in Thousands)	% to Total	
Pulse System Electronics (India) Pte. Ltd	EGSTON System Electronic spol.s.r.o.	Associate	Sale	US$ (3,819)	(1)	T/T 30 days	$ -	-	US$ 953	1	-
	EGSTON Far East GmbH	Associate	Sale	US$ (3,891)	(1)	T/T 30 days	-	-	US$ 1,079	1	-
P.T. KEMET Electronics Indonesia	KEMET Electronics Corporation	Parent company	Sale	US$ (4,585)	(1)	Net 60 days	-	-	US$ 4,511	4	-
Shanghai Arcotronics Components & Machineries Co., Ltd.	KEMET Electronics Corporation	Parent company	Sale	US$ (11,482)	(2)	Net 60 days	-	-	US$ (1,386)	(1)	-
	KEMET Electronics (Suzhou) Co., Ltd.	Associate	Sale	US$ (5,229)	(1)	Net 60 days	-	-	US$ 407	-	-
KEMET Electronics Bulgaria EAD	KEMET Electronics Corporation	Parent company	Sale	US$ (7,388)	(1)	Net 60 days	-	-	US$ 571	-	-
KEMET Electronics Italia S.r.l.	KEMET Electronics Corporation	Parent company	Sale	US$ (4,318)	(1)	Net 60 days	-	-	US$ 9,974	9	-
KEMET Electronics Portugal, S.A.	KEMET Electronics Corporation	Parent company	Sale	US$ (14,411)	(2)	Net 60 days	-	-	US$ 8,814	8	-
TOKIN Corporation	KEMET Electronics Corporation	Parent company	Sale	US$ (17,389)	(3)	Net 60 days	-	-	US$ 32,842	31	-
	TOKIN Hong Kong Ltd.	Subsidiary	Sale	US$ (199,257)	(94)	T/T 90 days	-	-	US$ 25,258	75	-
	TOKIN Singapore Pte Ltd.	Subsidiary	Sale	US$ (27,105)	(94)	T/T 30 days	-	-	US$ 2,703	11	-
	TOKIN Electronics (Xiamen) Corporation	Subsidiary	Sale	US$ (6,346)	(13)	Net 60 days	-	-	US$ 1,421	3	-
KEMET Electronics (Suzhou) Co., Ltd.	KEMET Electronics Corporation	Parent company	Sale	US$ (35,023)	(6)	Net 60 days	-	-	US$ 25,208	23	-
KEMET Electronics Corporation	KEMET Electronics Marketing (S) Pte Ltd.	Subsidiary	Sale	US$ (95,085)	(15)	Net 60 days	-	-	US$ 44,235	41	-
	KEMET Electronics (Suzhou) Co., Ltd.	Subsidiary	Sale	US$ (14,849)	(2)	Net 60 days	-	-	US$ (25,208)	(23)	-
	TOKIN Electronics (Thailand) Co., Ltd.	Subsidiary	Sale	US$ (5,744)	(1)	Net 60 days	-	-	US$ 1,992	2	-
TOKIN Electronics (Xiamen) Corporation	TOKIN Corporation	Parent company	Sale	US$ (41,685)	(83)	Net 80 days	-	-	US$ 8,277	20	-
	TOKIN Electronics (Vietnam) Co., Ltd.	Associate	Sale	US$ (8,297)	(17)	T/T 50 days	-	-	US$ 1,252	3	-
TOKIN Electronics (Vietnam) Co., Ltd.	TOKIN Corporation	Parent company	Sale	US$ (85,670)	(99)	Net 50 days	-	-	US$ 13,584	35	-
TOKIN Electronics (Thailand) Co., Ltd.	TOKIN Corporation	Parent company	Sale	US$ (124,128)	(100)	T/T 140 days	-	-	US$ 23,380	14	-
KEMET Electronics Macedonia DOOEL Skopje	KEMET Electronics Corporation	Parent company	Sale	US$ (6,225)	(1)	Net 60 days	-	-	US$ 377	4	-
Chilisin Electronics Corp.	Pulse Electronics (Singapore)	Associate	Sale	(617,601)	(12)	T/T 120 days	-	-	582,304	26	-
	Chilisin Electronics (Vietnam) Limited company	Subsidiary	Sale	(281,966)	(5)	T/T 120 days	-	-	283,374	12	-
Hunan Chilisin Electronics Technology Co., Ltd.	Chilisin International Ltd.	Parent company	Sale	RMB (76,785)	(16)	T/T 120 days	-	-	RMB 30,903	13	-
	Chilisin Electronics Corp.	Parent company	Sale	RMB (151,160)	(32)	T/T 120 days	-	-	RMB 97,655	41	-
	Dongguan Chilisin Electronics Co., Ltd.	Associate	Sale	RMB (95,259)	(20)	T/T 120 days	-	-	RMB 26,686	11	-
	Mag. Layers International Co., Ltd.	Associate	Sale	RMB (114,959)	(24)	T/T 120 days	-	-	RMB 61,036	26	-
	Shenzhen Chilisin Electronics Co., Ltd.	Associate	Sale	RMB (24,240)	(5)	T/T 120 days	-	-	RMB 9,912	4	-
Shenzhen Chilisin Electronics Co., Ltd.	Mag. Layers International Co., Ltd.	Associate	Sale	RMB (60,445)	(23)	T/T 120 days	-	-	RMB 36,184	34	-
Dongguan Chilisin Electronics Co., Ltd.	Chilisin International Ltd.	Parent company	Sale	RMB (148,489)	(28)	T/T 120 days	-	-	RMB 50,758	12	-
	Chilisin Electronics Corp.	Parent company	Sale	RMB (302,846)	(58)	T/T 120 days	-	-	RMB 130,039	30	-
Chilisin Electronics (Vietnam) Limited Company	Chilisin International Ltd.	Associate	Sale	US$ (9,241)	(16)	T/T 120 days	-	-	US$ 1,532	8	-
	Chilisin Electronics Corp.	Parent company	Sale	US$ (16,949)	(29)	T/T 120 days	-	-	US$ 7,725	42	-
	Dongguan Chilisin Electronics Co., Ltd.	Associate	Sale	US$ (13,531)	(23)	T/T 120 days	-	-	US$ 2,163	12	-
	Shenzhen Chilisin Electronics Co., Ltd.	Associate	Sale	US$ (16,019)	(28)	T/T 120 days	-	-	US$ 5,501	30	-

(Continued)

Company Name	Related Party	Nature of Relationships	Transaction Details (Note)				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount (Foreign Currency in Thousands)	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Foreign Currency in Thousands)	% to Total	
Deyang Bothhand Electronics Co., Ltd.	Bothhand Enterprise Inc.	Parent company	Sale	RMB (261,522)	(65)	The actual payment depends on the location of its working capital.	$ -	-	RMB 82,521	21	-
	Mianyang Pulse Electronics Co., Ltd.	Associate	Sale	RMB (302,846)	(63)	The actual payment depends on the location of its working capital.	-	-	RMB 108,135	26	-
Bothhand Enterprise Inc.	Mianyang Pulse Electronics Co., Ltd.	Associate	Sale	(154,549)	(11)	The actual payment depends on the location of its working capital.	-	-	119,733	57	-
Deyang Hongyi Electronics Co., Ltd.	Deyang Bothhand Electronics Co., Ltd.	Parent company	Sale	RMB (46,324)	(93)	The actual payment depends on the location of its working capital.	-	-	RMB 13,819	90	-
Magic Electronic Technology (Chongqing) Co., Ltd.	Magic Technology Co., Ltd.	Parent company	Sale	RMB (74,008)	(63)	The actual payment depends on the location of its working capital.	-	-	RMB 69,177	63	-
	Classic Magic Developments Limited	Associate	Sale	RMB (302,846)	(26)	The actual payment depends on the location of its working capital.	-	-	RMB 8,508	8	-
Mag. Layers Scientific-Technics Co., Ltd.	MAG.LAYERS U.S.A.INC	Subsidiary	Sale	(204,414)	(7)	The actual payment depends on the location of its working capital.	-	-	75,561	7	-
Mag. Layers International Co., Ltd.	Mag. Layers Scientific-Technics Co., Ltd.	Parent company	Sale	RMB (341,399)	(63)	The actual payment depends on the location of its working capital.	-	-	RMB 139,338	41	-
	Suining Pulse Electronics Co., Ltd.	Associate	Sale	RMB (113,091)	(21)	The actual payment depends on the location of its working capital.	-	-	RMB 45,536	13	-
	Dongguan Chilisin Electronics Co., Ltd.	Associate	Sale	RMB (28,667)	(5)	The actual payment depends on the location of its working capital.	-	-	RMB 14,335	4	-
Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	Hunan Chilisin Electronics Technology Co., Ltd.	Associate	Sale	RMB (43,710)	(43)	The actual payment depends on the location of its working capital.	-	-	RMB 24,757	53	-
	Mag. Layers International Co., Ltd.	Parent company	Sale	RMB (22,726)	(22)	60 days	-	-	RMB 12,516	27	-
Ferroxcube Polska Sp. Z.o.o.	Ferroxcube International Holding B.V.	Parent company	Sale	EUR (17,101)	(19)	60 days	-	-	EUR 972	6	-
	Ferroxcube Electronics (Dongguan) Limited	Associate	Sale	EUR (6,047)	(7)	60 days	-	-	EUR 1,984	12	-
Ferroxcube Hong Kong Limited	Ferroxcube Electronics (Dongguan) Limited	Subsidiary	Sale	HK$ (11,225)	(13)	60 days	-	-	-	-	-
Ferroxcube Electronics (Dongguan) Limited	Ferroxcube Polska Sp. Z.o.o.	Associate	Sale	RMB (6,047)	(7)	60 days	-	-	RMB 1,984	12	-
	Ferroxcube Hong Kong Limited	Parent company	Sale	RMB (11,224)	(13)	60 days	-	-	RMB 2,810	17	-

(Concluded)

TABLE 7

YAGEO CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Related Party	Nature of Relationships	Ending Balance (Foreign Currency in Thousands)	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Foreign Currency in Thousands)	Allowance for Impairment Loss
					Amount	Action Taken		
Yageo Corporation	Yageo Electronics (China) Co., Ltd.	Subsidiary	$ 229,046 (Note 5)	-	$ -	-	$ -	$ -
	KEMET Electronics Corporation	Subsidiary	488,672 (Note 5)	0.01	-	-	123,822	-
	Yageo Europe Holding B.V.	Subsidiary	133,087 (Note 5)	0.01	-	-	133,087	-
Yageo Holding (Bermuda) Ltd.	Yageo Europe Holding B.V.	Associate	US$ 172,956 (Note 1)	-	-	-	-	-
	Yageo USA (H.K.) Limited	Associate	US$ 218,182 (Note 3)	-	-	-	-	-
	Yageo Corporation	Ultimate parent company	US$ 300,000 (Note 3)	-	-	-	-	-
Yageo USA (H.K.) Limited	Ko-E (H.K.) Limited	Associate	US$ 18,942 (Note 5)	-	-	-	US$ 5,252	-
	Yageo (Suzhou) Trade Co., Ltd.	Associate	US$ 76,325	2.39	-	-	US$ 30,000	-
	Yageo Corporation	Ultimate parent company	US$ 48,210 (Note 5)	-	-	-	-	-
	Yageo Electronics (Dongguan) Co., Ltd.	Associate	US$ 40,219	1.30	-	-	US$ 22,700	-
Yageo Electronics (China) Co., Ltd.	Pulse (Suzhou) Wireless Products Co., Ltd.	Associate	RMB 124,525	-	-	-	RMB 4,108	-
	Yageo Europe Holding B.V.	Associate	RMB 33,970	-	-	-	RMB 26,477	-
	Yageo Corporation	Ultimate parent company	RMB 224,091	1.15	-	-	RMB 184,626	-
Yageo Electronics (Dongguan) Co., Ltd.	Yageo Corporation	Ultimate parent company	RMB 328,108	1.95	-	-	RMB 328,618	-
Yageo (Suzhou) Trade Co., Ltd.	Ko-E Technology (Shenzhen) Co., Ltd.	Associate	RMB 389,028	2.33	-	-	RMB 243,903	-
Kuo-Shin Investment Limited	Ko-E Component Co., Ltd.	Associate	115,000 (Note 3)	-	-	-	-	-
Vitrohm Holding GmbH	Yageo Holding (Bermuda) Ltd.	Parent company	EUR 6,568 (Note 2)	-	-	-	-	-

(Continued)

Company Name	Related Party	Nature of Relationships	Ending Balance (Foreign Currency in Thousands)	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Foreign Currency in Thousands)	Allowance for Impairment Loss
					Amount	Action Taken		
Yageo Europe Holding B.V.	Yageo USA (H.K.) Limited	Associate	US$ 52,000 (Note 3)	-	$ -	-	$ -	$ -
Bestbright Electronics Co., Ltd.	Ko-E Technology (Shenzhen) Co., Ltd.	Associate	RMB 75,230	7.04	-	-	RMB 49,232	-
Dongguan Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	US$ 51,461	0.69	-	-	US$ 10,496	-
	Pulse Electronics GmbH	Associate	US$ 20,850	0.12	-	-	-	-
Mianyang Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	US$ 7,128	2.33	-	-	US$ 5,249	-
	Pulse Electronics Inc.	Parent company	US$ 6,847	0.62	-	-	US$ 6,008	-
Pulse (Suzhou) Wireless Products Co., Ltd.	Pulse Electronics Korea Y	Associate	US$ 5,140	-	-	-	-	-
Suining Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	US$ 10,690	3.32	-	-	US$ 8,608	-
Pulse Components. Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	US$ 19,023 (Note 2)	-	-	-	US$ 6,012	-
Pulse Electronics (Singapore) Pte. Ltd.	Yageo Corporation	Ultimate parent company	US$ 100,000 (Note 3)	-	-	-	-	-
	Pulse System Electronics (India) Pte. Ltd	Subsidiary	US$ 5,600 (Note 3)	-	-	-	-	-
Maxtop Profits Limited	Pulse Components. Ltd	Associate	US$ 13,500 (Note 3)	-	-	-	-	-
	Acadia Electronics Co., Ltd	Associate	US$ 12,000 (Note 3)	-	-	-	-	-
Pulse Finland Oy	Pulse Electronics Korea YH	Subsidiary	EUR 5,000 (Note 3)	-	-	-	-	-
Pulse Electronics Inc.	Pulse Electronics (Singapore) Pte. Ltd.	Subsidiary	US$ 35,000 (Note 3)	-	-	-	-	-
EGSTON System Electronics Eggenburg GmbH	EGSTON System Electronic spol.s.r.o.	Associate	US$ 6,804 (Note 2)	-	-	-	-	-
	EGSTON Automotive Eggenburg GmbH	Associate	US$ 7,925	0.37	-	-	-	-
EGSTON System Electronic spol.s.r.o.	EGSTON Automotive Eggenburg GmbH	Associate	US$ 4,960	7.49	-	-	-	-
EGSTON Electronics Zhuhai Ltd.	EGSTON Far East GmbH	Associate	US$ 3,807	2.30	-	-	-	-
Evox Rifa Pte Ltd.	KEMET Electronics Marketing (S) Pte Ltd.	Associate	US$ 6,635 (Note 5)	-	-	-	-	-

(Continued)

Company Name	Related Party	Nature of Relationships	Ending Balance (Foreign Currency in Thousands)	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Foreign Currency in Thousands)	Allowance for Impairment Loss
					Amount	Action Taken		
KEMET de Mexico, S.A. de C.V.	KEMET Electronics Corporation	Parent company	US$ 16,510 (Note 5)	-	$ -	-	US$ 8,282	$ -
KEMET Electronics AB	KEMET Electronics Corporation	Parent company	US$ 6,334 (Note 5)	-	-	-	US$ 161	-
KEMET Electronics Corporation	KEMET Electronics Italia SRL	Subsidiary	US$ 9,974 (Note 2)	-	-	-	-	-
	KEMET Electronics Marketing (S) Pte Ltd.	Subsidiary	US$ 44,235 (Note 5)	-	-	-	US$ 65,792	-
KEMET Electronics GmbH	KEMET Electronics Corporation	Parent company	US$ 27,211 (Note 5)	-	-	-	US$ 867	-
P.T. KEMET Electronics Indonesia	KEMET Electronics Corporation	Parent company	US$ 4,511 (Note 5)	-	-	-	US$ 2,140	-
KEMET Electronics Italia S.r.l.	KEMET Electronics Macedonia DOOEL Skopje	Associate	US$ 3,119	-	-	-	-	-
KEMET Electronics (Suzhou) Co., Ltd.	KEMET Electronics Corporation	Parent company	US$ 25,208	-	-	-	US$ 20,000	-
KEMET Electronics Portugal, S.A.	KEMET Electronics Corporation	Parent company	US$ 8,814	-	-	-	US$ 8,814	-
KEMET Electronics Limited	KEMET Electronics Corporation	Parent company	US$ 11,098	-	-	-	-	-
TOKIN Corporation	TOKIN Hong Kong Ltd.	Subsidiary	US$ 25,258	6.71	-	-	US$ 23,452	-
	TOKIN Singapore Pte Ltd.	Subsidiary	US$ 2,703	10.92	-	-	-	-
	KEMET Corporation	Parent company	US$ 32,842 (Note 2)	-	-	-	US$ 13,159	-
	KEMET Electronics (Suzhou) Co., Ltd.	Associate	US$ 4,501	-	-	-	US$ 1,872	-
TOKIN Electronics (Xiamen) Corporation	TOKIN Corporation	Parent company	US$ 8,277	4.13	-	-	US$ 6,321	-
TOKIN Electronics (Thailand) Co., Ltd.	TOKIN Corporation	Parent company	US$ 23,380	3.23	-	-	US$ 15,668	-
TOKIN Electronics (Vietnam) Co., Ltd.	TOKIN Corporation	Parent company	US$ 13,584	7.13	-	-	US$ 11,423	-
Chilisin Electronics Corp.	Pulse Electronics (Singapore)	Associate	525,112	1.94	-	-	-	-
Chilisin International Ltd.	Chilisin Electronics Corp.	Parent company	US$ 48,786	-	-	-	-	-
	Dongguan Chilisin Electronics Co., Ltd.	Subsidiary	US$ 17,094 (Note 5)	-	-	-	-	-
Chilisin Electronics (Vietnam) Limited company	Shenzhen Chilisin Electronics Co., Ltd.	Associate	US$ 5,475	5.85	-	-	-	-

(Continued)

Company Name	Related Party	Nature of Relationships	Ending Balance (Foreign Currency in Thousands)	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Foreign Currency in Thousands)	Allowance for Impairment Loss
					Amount	Action Taken		
Hunan Chilisin Electronics Technology Co., Ltd.	Chilisin International Ltd.	Parent company	RMB 30,903	1.14	$ -	-	RMB 12,903	$ -
	Chilisin Electronics Corp.	Parent company	RMB 96,701	3.12	-	-	RMB 18,707	-
	Mag. Layers International Co., Ltd.	Associate	RMB 59,746 (Note 5)	2.83	-	-	RMB 21,631	-
Shenzhen Chilisin Electronics Co., Ltd.	Mag. Layers International Co., Ltd.	Associate	RMB 32,903	3.67	-	-	RMB 20,504	-
Dongguan Chilisin Electronics Co., Ltd.	Chilisin Electronics Corp.	Parent company	RMB 127,839	4.74	-	-	RMB 44,611	-
	Mag. Layers International Co., Ltd.	Associate	RMB 200,511 (Note 5)	0.10	-	-	RMB 6,008	-
Deyang Bothhand Electronics Co., Ltd.	Mian Yang Pulse Electronics Co., Ltd.	Associate	RMB 24,471	-	-	-	RMB 17,193	-
Mag. Layers International Co., Ltd.	Mag. Layers Scientific-Technics Co., Ltd.	Parent company	RMB 137,839	0.03	-	-	RMB 34,060	-
	Suining Pulse Electronics Co., Ltd.	Associate	RMB 45,152	5.01	-	-	RMB 22,892	-
	Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	Subsidiary	RMB 97,094 (Note 5)	0.01	-	-	RMB 15	-
Magic Electronic Technology (Chongqing) Co., Ltd.	Magic Technology Co., Ltd.	Parent company	RMB 68,737	2.15	-	-	-	-
Ferroxcube Electronics (Dongguan) Limited	Ferroxcube Hong Kong Limited	Parent company	RMB 23,273	0.20	-	-	RMB 7,249	-

Note 1: Loans to subsidiaries were considered a component of investment.

Note 2: Including financing and other receivables.

Note 3: Considered financing.

Note 4: Considered other receivables.

Note 5: Including other receivables.

(Concluded)

TABLE 8

YAGEO CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2022 (Foreign Currency in Thousands)	December 31, 2021 (Foreign Currency in Thousands)	Shares (In Thousands)	Percentage of Ownership	Carrying Value			
Yageo Corporation	Yageo Holding (Bermuda) Ltd.	Bermuda	Investment	US$ 237,158	US$ 259,747	17,411	100.00	$ 59,782,262	$ 1,184,525	$ 1,184,525	Subsidiary
	Kuo-Shin Investment Limited	Taipei	Investment	1,612,059	1,612,059	89,300	100.00	615,632	229,826	27,203	Subsidiary
	Brightking Holdings Ltd.	Cayman Islands	Holding company	3,328,253	3,328,253	45,608	100.00	3,199,289	100,867	42,127	Subsidiary
	Yageo Corporation (South Asia)	Singapore	Selling electronic components	SGD 780	SGD 780	-	100.00	883,244	128,479	128,479	Subsidiary
	Yageo Europe Holding B.V.	Netherlands	Holding company	EUR 172,056	EUR 130,602	207,269	100.00	4,239,558	1,012,232	1,012,232	Subsidiary
	Yageo South Asia (M) Sdn. Bhd.	Malaysia	Selling electronic components	-	-	-	100.00	3,302	1,307	1,307	Subsidiary
	Pulse Electronics Corporation	America	Holding company	US$ 721,461	US$ 721,461	25,574	100.00	33,363,203	3,867,229	3,748,051	Subsidiary
	Yageo Holding Hungary LLC	Hungary	Holding company	47,870,886	47,870,886	-	100.00	75,455,190	12,952,278	12,947,110	Subsidiary
	Chilisin Electronics Corp. (Note 2)	Hsinchu	Manufacturing and selling inductor	23,050,490	23,050,490	316,721	100.00	27,359,975	3,282,108	3,257,229	Subsidiary
	Yageo USA (H.K.) Limited (Note 10)	Hong Kong	Selling passive components	HK$ 8,000	HK$ 8,000	-	100.00	978,246	(79,074)	(79,074)	Subsidiary
	GTCL	Singapore	Holding company	60,603	60,603	8,232	23.57	321,241	337,090	79,156	Associate
	Kaimei Electronic Corp.	New Taipei City	Manufacturing and selling capacitor	1,048,487	1,064,737	6,500	5.98	627,881	643,389	38,481	Associate
	Strong Components Co., Ltd.	Kaohsiung	Manufacturing and selling electronic components	79,384	79,384	6,530	31.42	110,562	14,276	4,486	Associate
	XSemi Corporation (Note 4)	Hsinchu	Selling electronic components	1,190,000	140,000	1,190,000	35.00	1,153,781	(153,372)	(61,241)	Associate
Kuo-Shin Investment Limited	GTCL	Singapore	Holding company	50,078	50,078	1,839	5.26	81,655	337,090	17,682	Associate
	Kaimei Electronic Corp.	New Taipei City	Manufacturing and selling capacitor	89,939	93,575	1,454	1.34	131,059	643,389	8,611	Associate
	XSemi Corporation (Note 4)	Hsinchu	Selling electronic components	306,000	25,000	306,000	9.00	296,686	(153,372)	(13,371)	Associate
Yageo Holding (Bermuda) Ltd.	Yageo (Hong Kong) Limited	Hong Kong	Investment	HK$ 1,316,340	HK$ 1,316,340	1,030,499	100.00	US$ 452,735	US$ 35,012	US$ 35,012	Subsidiary
	Vitrohm Holding GmbH	Germany	Investment	EUR 15,849	EUR 15,849	-	100.00	US$ 15,110	US$ 714	US$ 714	Subsidiary
	Belkin International Enterprises Limited (Note 9)	Samoa	Investment	-	US$ 1,104	-	-	-	US$ (50)	US$ (23)	Subsidiary
	Yageo Korea	Korea	Sales of resistors	US$ 236	US$ 236	-	100.00	US$ 3,569	US$ 151	US$ 151	Subsidiary
	Yageo Japan	Japan	Sales of resistors	US$ 339	US$ 339	-	100.00	US$ 451	US$ (10)	US$ (10)	Subsidiary
	Hsu Tai International (H.K.) Ltd.	Hong Kong	Investment	US$ 2,400	US$ 2,400	1	100.00	US$ 1,037	US$ (97)	US$ (97)	Subsidiary
Brightking Holdings Ltd.	Brightking Enterprise (H.K.) Co., Ltd.	Hong Kong	Selling overvoltage and overcurrent protection electronic components	600,165	600,165	153,968	100.00	1,770,241	31,244	31,244	Subsidiary
Pulse Electronics Corporation	EGSTON Holding GmbH	Austria	Holding company	US$ 22,030	US$ 22,030	-	100.00	US$ 58,432	US$ 19,869	US$ 19,869	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2022 (Foreign Currency in Thousands)	December 31, 2021 (Foreign Currency in Thousands)	Shares (In Thousands)	Percentage of Ownership	Carrying Value			
Yageo Corporation (South Asia)	Ruiyi Technology (HongKong) Share Co., Limited	Hong Kong	Selling electronic components	HK$ 30,561	$ -	18,000	30.00	US$ 4,911	US$ 1,784	US$ 535	Associate
Yageo Europe Holding B.V.	Yageo Electronics Holding (S) PTE. LTD.	Singapore	Holding company	EUR 41,454	-	207,269	100.00	EUR 42,611	EUR 2,015	EUR 2,015	Subsidiary
Yageo Electronics Holding (S) PTE. LTD.	Yageo Electronics Investment (S) PTE. LTD.	Singapore	Holding company	-	-	-	100.00	EUR (24)	EUR (24)	EUR (24)	Subsidiary
	Ko-E Holding (Cayman) (Notes 3 and 10)	Cayman Islands	Holding company	US$ 6,801	US$ 6,790	6,801	97.15	EUR 42,635	EUR 2,099	EUR 2,039	Subsidiary
Ko-E Holding (Cayman)	Ko-E (H.K.) Limited	Hong Kong	Selling electronic components	US$ 4,662	US$ 4,662	-	100.00	US$ 31,721	US$ 14,795	US$ 14,795	Subsidiary
	Ko-E Electronics Trade Co., Ltd.	New Taipei City	Selling electronic components	US$ 1,481	US$ 1,481	4,500	100.00	US$ 3,061	US$ 848	US$ 848	Subsidiary
	Ko-E Electronic (Hong Kong) Limited	Hong Kong	Selling electronic components	US$ 646	US$ 646	5,000	100.00	US$ 7,647	US$ 6,977	US$ 6,977	Subsidiary
Brightking Enterprise (H.K.) Co., Ltd.	Ko-E Component Co., Ltd. (Note 5)	New Taipei City	Manufacturing and selling overvoltage and overcurrent protection electronic components	129,393	129,393	12,939	100.00	(100,022)	(18,451)	(18,451)	Subsidiary
Yageo Holding Hungary LLC	Yageo Holding Netherlands B.V. (Note 10)	Netherlands	Holding company	US$ 1,636,052	-	-	100.00	US$ 2,348,379	US$ 432,028	US$ 432,028	Subsidiary
Yageo Holding Netherlands B.V.	KEMET Corporation	America	Selling electronic components	US$ 1,636,052	-	1	100.00	US$ 2,348,379	US$ 432,028	US$ 432,028	Subsidiary
KEMET Corporation	KEMET Electronics Corporation	America	Manufacturing and selling electronic components	US$ 290,391	US$ 290,391	1	100.00	US$ 1,720,123	US$ 469,152	US$ 469,152	Subsidiary
KEMET Electronics Corporation	TOKIN Corporation	Japan	Manufacturing and selling electronic components	US$ 200,358	US$ 200,358	467,866	100.00	US$ 412,661	US$ 77,716	US$ 77,716	Subsidiary
	Yageo America LLC. (Note 6)	America	Selling electronic components	-	US$ 3,317	-	-	-	US$ 9	US$ 9	Subsidiary
TOKIN Corporation	NT Sales Co., Ltd.	Japan	Selling electronic components	JPY 297,335	JPY 297,335	264	33.00	US$ 2,490	US$ 2,281	US$ 753	Associate
	Nippon Yttrium Co., Ltd.	Japan	Selling electronic components	JPY 123,168	JPY 123,168	240	30.00	US$ 11,005	US$ 7,206	US$ 2,162	Associate
Chilisin Electronics Corp.	Chilisin International Ltd.	Samoa	Selling electronic components	6,049,429	6,049,429	192,295	100.00	8,227,160	570,188	570,188	Subsidiary
	Chilisin Holding (Samoa) Ltd.	Samoa	Investment	244,045	244,045	7,280	100.00	381,308	(4,975)	(4,975)	Subsidiary
	Chilisin Asia Investment Limited	Samoa	Investment	11,371	11,371	360	100.00	30,349	2,200	2,200	Subsidiary
	Chilisin Holding (Hong Kong) Limited	Hong Kong	Investment	2,563,365	2,563,365	85,000	94.15	3,057,676	160,717	152,995	Subsidiary
	Chilisin Electronics Japan Corp. (Note 7)	Japan	Selling electronic components	-	24,480	-	-	-	(368)	(368)	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2022 (Foreign Currency in Thousands)	December 31, 2021 (Foreign Currency in Thousands)	Shares (In Thousands)	Percentage of Ownership	Carrying Value			
	Ferroxcube International Holding B.V.	Netherlands	Investment	$ 4,252,786	$ 4,252,786	-	100.00	$ 3,091,266	$ 413,742	$ 413,742	Subsidiary
	Mag. Layers Scientific-Technics Co., Ltd.	Taoyuan City	Manufacturing and selling electronic components	12,383,969	12,383,969	112,161	100.00	12,028,949	679,084	633,540	Subsidiary
	Magic Technology Co., Ltd.	New Taipei City	Selling electronic components	1,429,883	1,429,883	68,238	100.00	1,346,492	(98,864)	(105,563)	Subsidiary
	Bothhand Enterprise Inc.	Taoyuan City	Manufacturing and selling computer components and electronic components	2,800,000	2,800,000	88,514	100.00	2,533,640	344,137	344,137	Subsidiary
Chilisin International Ltd.	Belkin International Enterprises Limited. (Note 9)	Samoa	Investment	-	153,475	-	-	-	US$ (50)	US$ (27)	Subsidiary
Chilisin Holding (Samoa) Ltd.	Chilisin Holding (Hong Kong) Limited	Hong Kong	Investment	177,254	177,254	5,280	5.85	US$ 10,718	US$ 160,717	US$ 266	Subsidiary
Chilisin Holding (Hong Kong) Limited	Chilisin Electronics (Vietnam) Limited company	Vietnam	Manufacturing and selling electronic components	2,563,365	2,563,365	102,000	100.00	US$ 107,010	US$ 4,339	US$ 3,377	Subsidiary
Chilisin Asia Investment Limited	Chilisin America Ltd.	America	Selling electronic components	6,022	6,022	200	100.00	US$ 904	-	-	Subsidiary
Belkin International Enterprises Limited	Guorui (Hong Kong) Limited (Note 9)	Hong Kong	Investment	-	US$ 2,445	-	-	-	US$ (50)	US$ (50)	Subsidiary
Ferroxcube International Holding B.V.	Ferroxcube Italia S.r.l.	Italy	Selling electronic components	EUR 12	EUR 12	-	100.00	EUR 1,122	EUR 60	EUR 60	Subsidiary
	Ferroxcube Deutschland GmbH	Germany	Selling electronic components	EUR 50	EUR 50	-	100.00	EUR 4,835	EUR 116	EUR 116	Subsidiary
	Ferroxcube USA Inc.	America	Selling electronic components	US$ 23	US$ 23	-	100.00	EUR 1,453	EUR 224	EUR 224	Subsidiary
	Hispano Ferritas S.A.	Spain	Selling electronic components	EUR 9,063	EUR 9,063	-	100.00	EUR 733	EUR 125	EUR 125	Subsidiary
	Ferroxcube Polska Sp. Z.o.o.	Poland	Manufacturing and selling electronic components	PLN 55,243	PLN 55,243	-	100.00	EUR 47,188	EUR 1,987	EUR 1,987	Subsidiary
	Ferroxcube Hong Kong Limited	Hong Kong	Resource allocation center and Investment	HK$ 79,551	HK$ 79,551	-	67.00	EUR 17,284	EUR 275	EUR 184	Subsidiary
Ferroxcube Polska Sp. Z.o.o.	Ferroxcube Hong Kong Limited	Hong Kong	Resource allocation center and Investment	HK$ 39,182	HK$ 39,182	-	33.00	EUR 8,513	EUR 275	EUR 91	Subsidiary
Mag. Layers Scientific-Technics Co., Ltd.	Mag. Layers (Hong Kong) Ltd. (Note 8)	Hong Kong	Selling electronic components	-	78	-	-	-	-	-	Subsidiary
	Mag. Layers International Co., Ltd.	The British Virgin Islands	Investment	736,428	736,428	25	100.00	1,479,870	153,994	156,752	Subsidiary
	Mag. Layers USA, Inc.	America	Selling electronic components	18,078	18,078	-	65.00	44,932	8,662	8,662	Subsidiary
Magic Technology Co., Ltd.	Magic Technology (Samoa) Co., Ltd.	Samoa	Investment	623,834	623,834	-	100.00	1,453,684	(160,430)	(160,437)	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2022 (Foreign Currency in Thousands)	December 31, 2021 (Foreign Currency in Thousands)	Shares (In Thousands)	Percentage of Ownership	Carrying Value			
Magic Technology (Samoa) Co., Ltd.	Classic Magic Developments Limited (Samoa)	Samoa	Selling electronic components	$ 230,430	$ 230,430	-	100.00	US$ 9,318	US$ 185	US$ 185	Subsidiary
	Trendy Island Investment Limited	Samoa	Investment	392,466	392,466	-	100.00	US$ 28,403	US$ (5,313)	US$ (5,313)	Subsidiary
Bothhand Enterprise Inc.	E-HENG Technology Co., Ltd.	Taoyuan City	Manufacturing and selling computer components and electronic components	4,400	4,400	440	100.00	11,674	(4,000)	(4,000)	Subsidiary
	Bothhand International Investment Co., Ltd.	The British Virgin Islands	Investment	60,829	60,829	1,000	100.00	1,679,460	145,104	195,248	Subsidiary

Note 1: For information on investments in mainland China, refer to Table 9.

Note 2: The Company issued 47,779 thousand ordinary shares as consideration for the acquisition of 100% of the interest of Chilisin Electronics Corp. in January 2022.

Note 3: Yageo Holding (Bermuda) Ltd. repurchased and sold its shares in the first quarter and third quarter of 2022, and increased Yageo Holding (Bermuda) Ltd.'s continuing interest from 97.00% to 97.15%.

Note 4: In June 2022, the Group subscribed for additional new shares of XSemi Corporation at a percentage different from its existing ownership percentage, and reduced its continuing interest from 55% to 44%.

Note 5: In August 2022, Brightking Electronics Co., Ltd. has changed its name to Ko-E Component Co., Ltd.

Note 6: Yageo America LLC. has dissolved and liquidated in the third quarter of 2022.

Note 7: Chilisin Electronics Japan Corp. has dissolved and liquidated in the second quarter of 2022.

Note 8: Mag. Layers (Hong Kong) Ltd. has dissolved and liquidated in the second quarter of 2022.

Note 9: Belkin International Enterprises Limited and Guorui (Hong Kong) Limited has dissolved and liquidated in the fourth quarter of 2022.

Note 10: In November 2022, the Company adjusted the internal organizational structure of the group. Yageo USA (H.K.) Limited, a subsidiary originally held by Yageo Holding (Bermuda) Ltd., was changed to be held by the Company. Ko-E Holding (Cayman), a subsidiary originally held by Yageo Holding (Bermuda) Ltd., was changed to be held by its grandson company, Yageo Electronics Holding (S) PTE. LTD. In December 2022, KEMET Corporation, a subsidiary originally held by Yageo Holding Hungry LLC, was changed to be held by Yageo Holding Netherlands B.V. Since the transaction is under common control, the book-value method is applied in the transaction.

(Concluded)

YAGEO CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (Foreign Currency in Thousands) (Note 3)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022 (US$ in Thousands) (Note 3)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022 (US$ in Thousands) (Note 3)	Net Income (Losses) of the Investee Company (Foreign Currency in Thousands) (Note 4)	Percentage of Ownership	Share of Profits/Losses (Foreign Currency in Thousands) (Note 4)	Carrying Amount as of December 31, 2022 (Foreign Currency in Thousands) (Note 3)	Accumulated Inward Remittance of Earnings as of December 31, 2022 (US$ in Thousands) (Note 3)
					Outflow (Note 3)	Inflow (Note 3)						
Yageo Electronics (Dongguan) Co., Ltd.	Manufacturing and selling passive components	US$ 53,250 ($ 1,635,201)	Indirect: Through a company registered in a third region	US$ 46,510 ($ 1,428,229)	$ -	$ -	US$ 46,510 ($ 1,428,229)	HK$ 115,188 ($ 438,486)	100.00	HK$ 118,811 ($ 452,278)	HK$ 678,973 ($ 2,673,931)	US$ 61,915 ($ 1,901,286)
Yageo Electronics (China) Co., Ltd.	Manufacturing and selling passive components	US$ 301,977 ($ 9,273,110)	Indirect: Through a company registered in a third region	US$ 204,977 ($ 6,294,434)	-	-	US$ 204,977 ($ 6,294,434)	HK$ 365,219 ($ 1,390,279)	100.00	HK$ 452,844 ($ 1,723,841)	HK$ 2,669,592 ($ 10,513,387)	US$ 117,160 ($ 3,597,749)
Yageo Components (Suzhou) Co., Ltd.	Manufacturing and selling passive components	US$ 5,000 ($ 153,540)	Indirect: Through a company registered in a third region	US$ 5,000 ($ 153,540)	-	-	US$ 5,000 ($ 153,540)	HK$ 10,767 ($ 40,987)	100.00	HK$ 10,258 ($ 39,049)	HK$ 59,260 ($ 233,378)	-
Yageo (Suzhou) Trade Co., Ltd.	Selling passive components	US$ 5,000 ($ 153,540)	Indirect: Through a company registered in a third region	US$ 5,000 ($ 153,540)	-	-	US$ 5,000 ($ 153,540)	HK$ 37,143 ($ 141,392)	100.00	HK$ 37,143 ($ 141,392)	HK$ 169,239 ($ 666,497)	-
Compostar Technology (Dongguan) Co., Ltd. (Note 6)	Manufacturing and selling passive components	US$ 1,500 ($ 46,602)	Indirect: Through a company registered in a third region	US$ 1,164 ($ 35,744)	-	-	US$ 1,164 ($ 35,744)	-	-	-	-	-
Compostar Technology (Suzhou) Co., Ltd.	Manufacturing and selling passive components	US$ 5,150 ($ 158,146)	Indirect: Through a company registered in a third region	US$ 5,150 ($ 158,146)	-	-	US$ 5,150 ($ 158,146)	-	-	-	-	-
Guo Chuang Electronics (Dongguan) Co., Ltd. (Note 7)	Manufacturing and selling passive components	US$ 1,709 ($ 52,480)	Indirect: Through a company registered in a third region	US$ 789 ($ 24,299)	-	-	US$ 789 ($ 24,299)	-	-	-	-	-
Ko-E Technology (Shenzhen) Co., Ltd.	Selling electronic components	US$ 3,500 ($ 107,478)	Indirect: Through a company registered in a third region	US$ 3,150 ($ 96,730)	-	-	US$ 3,150 ($ 96,730)	HK$ 41,714 ($ 158,793)	97.15	HK$ 40,525 ($ 154,267)	HK$ 252,247 ($ 993,399)	-
Guo Ray Electronics Co., Ltd. (Note 6)	Selling electronic components	US$ 1,000 ($ 30,708)	Indirect: Through a company registered in a third region	US$ 460 ($ 14,126)	-	-	US$ 460 ($ 14,126)	-	-	-	-	-
Chen-Xin Electronic (Chiao-Tao) Co., Ltd. (Note 6)	Manufacturing and selling passive components	HK$ 1,000 ($ 3,938)	Indirect: Through a company registered in a third region	US$ 59 ($ 1,812)	-	-	US$ 59 ($ 1,812)	-	-	-	-	-
Chen Xin (Dongguan)	Manufacturing passive components	US$ 1,000 ($ 30,708)	Indirect: Through a company registered in a third region	US$ 460 ($ 14,126)	-	-	US$ 460 ($ 14,126)	-	-	-	-	-
Bestbright Electronics Co., Ltd.	Manufacturing and selling overvoltage and overcurrent protection electronic components	342,073	Indirect: Through a company registered in a third region	US$ 110,301 ($ 3,387,123)	-	-	US$ 110,301 ($ 3,387,123)	77,446	100.00	77,446	1,020,204	-
Brightking (Shenzhen) Co., Ltd.	Selling overvoltage and overcurrent protection electronic components	94,380	Indirect: Through a company registered in a third region	-	-	-	-	(1,322)	100.00	(1,322)	488,797	-
Brightking (Shanghai) Co., Ltd.	Selling overvoltage and overcurrent protection electronic components	29,249	Indirect: Through a company registered in a third region	-	-	-	-	(23,548)	100.00	(23,548)	152,730	-
Brightking (Beijing) Co., Ltd.	Selling overvoltage and overcurrent protection electronic components	18,876	Indirect: Through a company registered in a third region	-	-	-	-	252	100.00	252	397	-
Huizhou Lien Shun Electronics Co., Ltd. (Note 9)	Manufacturing and selling overvoltage protection electronic components	-	Indirect: Through a company registered in a third region	US$ 1,603 ($ 49,225)	-	-	US$ 1,603 ($ 49,225)	-	-	-	-	-
Ceramate Technical (Suzhou) Co., Ltd. (Note 10)	Manufacturing and selling overvoltage and overcurrent protection electronic components	-	Indirect: Through a company registered in a third region	-	-	-	-	3,968	-	3,968	-	-

(Continued)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (Foreign Currency in Thousands) (Note 3)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022 (US$ in Thousands) (Note 3)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022 (US$ in Thousands) (Note 3)	Net Income (Losses) of the Investee Company (Foreign Currency in Thousands) (Note 4)	Percentage of Ownership	Share of Profits/Losses (Foreign Currency in Thousands) (Note 4)	Carrying Amount as of December 31, 2022 (Foreign Currency in Thousands) (Note 3)	Accumulated Inward Remittance of Earnings as of December 31, 2022 (US$ in Thousands) (Note 3)
					Outflow (Note 3)	Inflow (Note 3)						
Yageo Components (Jiashan) Co, Ltd.	Manufacturing and selling overvoltage and overcurrent protection electronic components	$ 186,642	Indirect: Through a company registered in a third region	$ -	$ -	$ -	$ -	$ (3,439)	100.00	$ (3,439)	$ 220,199	$ -
Pulse Electronics (Dongguan) Co., Ltd.	Manufacturing electronic components	HK$ 197,297 ($ 776,995)	Indirect: Through a company registered in a third region	US$ 383,032 ($ 11,762,147)	-	-	US$ 383,032 ($ 11,762,147)	290,513	100.00	290,513	2,199,322	-
Mian Yang Pulse Electronics Co., Ltd.	Manufacturing electronic components	US$ 2,100 ($ 64,487)	Indirect: Through a company registered in a third region	US$ 37,012 ($ 1,136,564)	-	-	US$ 37,012 ($ 1,136,564)	83,758	100.00	83,758	385,741	-
Suining Pulse Electronics Co., Ltd.	Manufacturing electronic components	US$ 500 ($ 15,354)	Indirect: Through a company registered in a third region	US$ 37,445 ($ 1,149,861)	-	-	US$ 37,445 ($ 1,149,861)	206,310	100.00	206,310	297,213	-
Pulse (Suzhou) Wireless Products Co., Ltd.	Manufacturing electronic components	US$ 25,300 ($ 776,912)	Indirect: Through a company registered in a third region	US$ 21,788 ($ 669,066)	-	-	US$ 21,788 ($ 669,066)	(6,900)	100.00	(6,900)	270,219	-
Pulse Electronics (ShenZhen) Co., Ltd.	Manufacturing electronic components	US$ 650 ($ 19,960)	Indirect: Through a company registered in a third region	US$ 3,533 ($ 108,491)	-	-	US$ 3,533 ($ 108,491)	350	100.00	350	12,801	-
Shengsheng Technology (Suzhou) Co., Ltd. (Note 8)	Manufacturing electronic components	US$ 9,000 ($ 276,372)	Indirect: Through a company registered in a third region	US$ 9,656 ($ 296,516)	-	-	US$ 9,656 ($ 296,516)	-	-	-	-	-
EGSTON Electronics Zhuhai Ltd.	Manufacturing electronic components	US$ 2,340 ($ 71,857)	Indirect: Through a company registered in a third region	US$ 19,748 ($ 606,422)	-	-	US$ 19,748 ($ 606,422)	89,183	100.00	89,183	61,600	-
KEMET Electronics (Suzhou) Co., Ltd.	Manufacturing and selling electronic components	US$ 26,667 ($ 818,890)	Indirect: Through a company registered in a third region	US$ 208,750 ($ 6,410,295)	-	-	US$ 208,750 ($ 6,410,295)	US$ 8,705 ($ 259,483)	100.00	US$ 8,705 ($ 259,483)	US$ 103,027 ($ 3,163,744)	US$ 5,395 ($ 165,670)
Shanghai Arcotronics Components & Machineries Co., Ltd.	Manufacturing electronic components	RMB 32,600 ($ 144,011)	Indirect: Through a company registered in a third region	-	-	-	-	US$ 3,390 ($ 101,057)	100.00	US$ 3,390 ($ 101,057)	US$ 26,523 ($ 814,459)	-
KEMET Jianghai Electronics Components Co., Ltd.	Manufacturing electronic components	US$ 16,000 ($ 491,328)	Indirect: Through a company registered in a third region	US$ 16,666 ($ 511,780)	-	-	US$ 16,666 ($ 511,780)	US$ (1,853) ($ (55,219))	50.00	US$ (926) ($ (27,609))	US$ 1,261 ($ 38,714)	-
TOKIN Electronics (Xiamen) Corporation	Manufacturing electronic components	US$ 31,000 ($ 951,948)	Indirect: Through a company registered in a third region	US$ 57,825 ($ 1,775,690)	-	-	US$ 57,825 ($ 1,775,690)	US$ 4,453 ($ 132,742)	100.00	US$ 4,453 ($ 132,742)	US$ 31,908 ($ 979,833)	-
Shenzhen Ruiyi Electronics Co., Ltd.	Selling electronic components	RMB 7,492 ($ 33,096)	Indirect: Through a company registered in a third region	-	-	-	-	-	30.00	-	US$ 2,240 ($ 68,797)	-
Dongguan Chilisin Electronics Co., Ltd.	Manufacturing and selling electronic components	HK$ 495,060 ($ 1,949,645)	Indirect: Through a company registered in a third region	US$ 66,209 ($ 2,033,146)	-	-	US$ 66,209 ($ 2,033,146)	US$ 10,568 ($ 315,000)	100.00	US$ 10,401 ($ 310,023)	US$ 79,814 ($ 2,450,928)	-
Chilisin Electronics (Su Zhou) Co., Ltd. (Note 11)	Manufacturing and selling electronic components	US$ 5,850 ($ 179,642)	Indirect: Through a company registered in a third region	US$ 5,272 ($ 161,893)	-	-	US$ 5,272 ($ 161,893)	-	-	-	-	-
Chilisin Electronics (Henan) Co., Ltd. (Note 11)	Manufacturing and selling electronic components	US$ 4,000 ($ 122,832)	Indirect: Through a company registered in a third region	US$ 4,000 ($ 122,832)	-	-	US$ 4,000 ($ 122,832)	-	-	-	-	-
Dongguan CNA Electronics Co., Ltd.	Manufacturing and selling electronic components	US$ 1,000 ($ 30,708)	Indirect: Through a company registered in a third region	US$ 500 ($ 15,354)	-	-	US$ 500 ($ 15,354)	US$ (127) ($ (3,785))	50.00	US$ (63) ($ (1,892))	US$ 1,123 ($ 34,482)	-
Dongguan Lianmao Electronics Co., Ltd. (Note 13)	Selling electronic components	US$ 200 ($ 6,142)	Indirect: Through a company registered in a third region	US$ 200 ($ 6,142)	-	-	US$ 200 ($ 6,142)	-	100.00	-	-	-
Suzhou Qiyixin Electronics Co., Ltd.	Selling electronic components	US$ 2,000 ($ 61,416)	Indirect: Through a company registered in a third region	US$ 2,000 ($ 61,416)	-	-	US$ 2,000 ($ 61,416)	US$ (427) ($ (12,721))	100.00	US$ (427) ($ (12,721))	US$ 1,764 ($ 54,173)	-
Hunan Chilisin Electronics Technology Co., Ltd.	Manufacturing and selling electronic components	US$ 69,000 ($ 2,118,852)	Indirect: Through a company registered in a third region	US$ 69,000 ($ 2,118,852)	-	-	US$ 69,000 ($ 2,118,852)	US$ 8,641 ($ 257,575)	100.00	US$ 8,641 ($ 257,562)	US$ 69,880 ($ 2,145,875)	-
Shenzhen Chilisin Electronics Co., Ltd.	Selling electronic components	US$ 900 ($ 27,637)	Indirect: Through a company registered in a third region	(US$ 900 ($ 27,637)	-	-	(US$ 900 ($ 27,637)	US$ 2,443 ($ 72,805)	100.00	US$ 2,443 ($ 72,805)	US$ 1,435 ($ 44,075)	-

(Continued)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (Foreign Currency in Thousands) (Note 3)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022 (US$ in Thousands) (Note 3)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022 (US$ in Thousands) (Note 3)	Net Income (Losses) of the Investee Company (Foreign Currency in Thousands) (Note 4)	Percentage of Ownership	Share of Profits/Losses (Foreign Currency in Thousands) (Note 4)	Carrying Amount as of December 31, 2022 (Foreign Currency in Thousands) (Note 3)	Accumulated Inward Remittance of Earnings as of December 31, 2022 (US$ in Thousands) (Note 3)
					Outflow (Note 3)	Inflow (Note 3)						
Yuanling Country Xianghua Electronic Technology Co., Ltd.	Manufacturing and selling electronic components	RMB 15,000 ($ 66,263)	Indirect: Through a company in mainland China	$ -	$ -	$ -	$ -	$ -	49.90	$ -	$ -	$ -
Mag. Layers International Co., Ltd.	Manufacturing and selling passive components	US$ 28,479 ($ 874,533)	Indirect: Through a company registered in a third region	US$ 24,500 ($ 752,346)	-	-	US$ 24,500 ($ 752,346)	US$ 6,527 ($ 194,550)	100.00	US$ 6,527 ($ 194,550)	US$ 32,498 ($ 997,949)	-
Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	Manufacturing and selling electronic components	RMB 41,446 ($ 183,090)	Indirect: Through a company in mainland China	-	-	-	-	RMB (3,758) ($ (16,634))	100.00	RMB (3,758) ($ (16,634))	RMB 218,888 ($ 967,240)	-
Ferroxcube Electronics (Dongguan) Limited	Manufacturing and selling electronic components	US$ 22,300 ($ 684,788)	Indirect: Through a company registered in a third region	US$ 21,122 ($ 648,614)	-	-	US$ 21,122 ($ 648,614)	EUR 5,303 ($ 166,582)	100.00	EUR 5,303 ($ 166,582)	EUR 27,972 ($ 915,560)	-
Magic Electronic Technology (Shenzhen) Co., Ltd.	Manufacturing and selling electronic components	US$ 1,287 ($ 39,521)	Indirect: Through a company registered in a third region	US$ 1,287 ($ 39,521)	-	-	US$ 1,287 ($ 39,521)	US$ 193 ($ 5,762)	100.00	US$ 193 ($ 5,762)	US$ 1,846 ($ 56,689)	-
Magic Trade (Shenzhen) Co., Ltd.	Selling electronic components	US$ 79 ($ 2,426)	Indirect: Through a company registered in a third region	US$ 79 ($ 2,426)	-	-	US$ 79 ($ 2,426)	US$ (203) ($ (6,043))	100.00	US$ (203) ($ (6,043))	US$ 4,060 ($ 124,687)	-
Magic Electronic Technology (Hunan) Co., Ltd.	Manufacturing and selling electronic components	US$ 1,000 ($ 30,708)	Indirect: Through a company registered in a third region	US$ 1,000 ($ 30,708)	-	-	US$ 1,000 ($ 30,708)	US$ (28) ($ (841))	100.00	US$ (28) ($ (841))	US$ 942 ($ 28,935)	-
Magic Electronic Technology (Chongqing) Co., Ltd.	Manufacturing and selling electronic components	US$ 13,000 ($ 399,204)	Indirect: Through a company registered in a third region	US$ 13,000 ($ 399,204)	-	-	US$ 13,000 ($ 399,204)	US$ (5,313) ($ (158,364))	100.00	US$ (5,313) ($ (158,364))	US$ 28,420 ($ 872,726)	-
Bothhand Enterprise (Guangzhou) Inc. (Note 12)	Manufacturing and selling computer components and electronic components	-	Indirect: Through a company registered in a third region	HK$ 5,764 ($ 22,700)	-	-	HK$ 5,764 ($ 22,700)	-	-	-	-	-
Kaiping Bothhand Electronics Co., Ltd. (Note 14)	Manufacturing and selling computer components and electronic components	-	Indirect: Through a company registered in a third region	US$ 879 HK$ 34,609 ($ 163,289)	-	-	US$ 879 HK$ 34,609 ($ 163,289)	-	-	-	-	-
Guangzhou Bothhand Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	US$ 2,022 ($ 62,092)	Indirect: Through a company registered in a third region	US$ 978 ($ 30,032)	-	-	US$ 978 ($ 30,032)	RMB 1,898 ($ 8,401)	100.00	RMB 1,898 ($ 8,401)	RMB 47,654 ($ 210,512)	-
Deyang Bothhand Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	US$ 5,000 ($ 153,540)	Indirect: Through a company registered in a third region	-	-	-	-	RMB 29,062 ($ 128,638)	100.00	RMB 29,062 ($ 128,638)	RMB 280,084 ($ 1,237,269)	-
Guangzhou Chenghan Electronic Technology Co., Ltd.	Manufacturing and selling computer components and electronic components	RMB 25,988 ($ 114,802)	Indirect: Through a company in mainland China	-	-	-	-	RMB 1,081 ($ 4,785)	100.00	RMB 1,081 ($ 4,785)	RMB 41,280 ($ 182,355)	-
Deyang Shisheng Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	RMB 5,000 ($ 22,088)	Indirect: Through a company in mainland China	-	-	-	-	RMB 5,795 ($ 25,650)	100.00	RMB 5,795 ($ 25,650)	RMB 25,811 ($ 114,019)	-
Deyang Hongyi Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	RMB 30,000 ($ 132,525)	Indirect: Through a company in mainland China	-	-	-	-	RMB 5,405 ($ 23,926)	51.00	RMB 2,757 ($ 12,202)	RMB 24,866 ($ 109,844)	-
Hunan Bothhand Electronics Co., Ltd. (Note 15)	Manufacturing and selling computer components and electronic components	-	Indirect: Through a company in mainland China	-	-	-	-	RMB (32) ($ (142))	-	RMB (32) ($ (142))	-	-
Magic (Suzhou) Photoelectric Technology., Ltd. (Note 11)	Manufacturing electronic components	-	Direct investment in mainland China	US$ 400 ($ 12,283)	-	-	US$ 400 ($ 12,283)	-	-	-	-	-

(Continued)

Accumulated Investment in Mainland China as of December 31, 2022 (US$ in Thousands) (Note 3)	Investment Amounts Authorized by Investment Commission, MOEA (US$ in Thousands) (Note 3)	Upper Limit on Investment
$36,237,835 (US$1,180,078)	$48,212,113 (US$1,570,018) (Note 1)	(Note 2)

Note 1: Investment Commission of MOEA approved the transfer of earnings to capital of Yageo Electronics (Dongguan) Co., Ltd. and Yageo Electronics (China) Co., Ltd. amounting to US$6,740 thousand and US$97,000 thousand, respectively.

Note 2: Referred to under Order No. 11020419960 issued by the MOEA on May 27, 2021 the Company obtained the operational headquarters certification documents issued by the Industrial Bureau of the MOEA with validity period from May 26, 2021 to May 25, 2024. Therefore, the investment in mainland China is not restricted.

Note 3: The currency exchange rates on December 31, 2022, of NTD to HKD, USD and RMB, which were 1:3.9382, 1:30.708 and 1:4.4175, respectively.

Note 4: The currency exchange rates in 2022, of NTD to HKD, USD and RMB, which were 1:3.8067, 1:29.807 and 1:4.4263, respectively.

Note 5: Compostar Technology (Suzhou) Co., Ltd., Chen-Xin Electronic (Chiao-Tao) Co., Ltd. and Chen Xin (Dongguan) have been liquidated and the liquidation was approved by Investment Commission of MOEA.

Note 6: Compostar Technology (Dongguan) Co., Ltd., Guo Ray Electronics Co., Ltd. and Chen-Xin Electronic (Chiao-Tao) Co., Ltd. had been cancelled in the third quarter of 2019.

Note 7: Guo Chuang Electronics (Dongguan) Co., Ltd. had been dissolved and liquidated in March 2021.

Note 8: Shengsheng Technology (Suzhou) Co., Ltd. had been dissolved and liquidated in September 2021.

Note 9: Huizhou Lien Shun Electronics Co., Ltd. had been dissolved and liquidated in September 2021.

Note 10: Ceramate Technical (Suzhou) Co., Ltd. had been dissolved and liquidated in January 2022.

Note 11: Chilisin Electronics (Henan) Co., Ltd., Chilisin Electronics (Su Zhou) Co., Ltd. and Magic (Suzhou) Photoelectric Technology., Ltd. had been dissolved in May 2020, June 2020 and November 2020 respectively.

Note 12: Bothhand Enterprise (Guangzhou) Inc. had been liquidated in January 2011, but the remaining capital stock has not yet been remitted back to Taiwan.

Note 13: Dongguan Lianmao Electronics Co., Ltd. had been dissolved and liquidated in the fourth quarter of 2021.

Note 14: Kaiping Bothhand Electronics Co., Ltd. had been sold in July 2021 and stock transferred in October 2021.

Note 15: Hunan Bothhand Electronics Co., Ltd. had been liquidated in August 2022, but the remaining capital stock has not yet been remitted back to Taiwan.

(Concluded)

TABLE 10

YAGEO CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022

Shareholders	Shares	
	Total Shares Owned	Ownership Percentage
Tie-Min Chen	29,589,231	7.02
CTBC Bank as Custodian for PRC Holding Limited	27,900,000	6.61
CTBC Bank as Custodian for Dominant Investment Holdings Ltd.	27,850,961	6.60

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, refer to Market Observation Post System.

YAGEO Corporation

Chairman: Tie-Min Chen