

**LITE-ON TECHNOLOGY CORPORATION
and Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2023 and 2022 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
LITE-ON TECHNOLOGY CORPORATION

Introduction

We have reviewed the accompanying consolidated balance sheets of LITE-ON TECHNOLOGY CORPORATION and its subsidiaries (collectively, the "Group") as of September 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 14 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements were not reviewed. As of September 30, 2023 and 2022, the combined total assets of these non-significant subsidiaries were NT\$69,481,659 thousand and NT\$70,715,172 thousand, representing 34.66% and 34.85%, respectively, of the consolidated total assets; the combined total liabilities of these non-significant subsidiaries were NT\$13,323,890 thousand and NT\$14,876,447 thousand, representing 11.49% and 12.06%, respectively, of the consolidated total liabilities. For the three months ended September 30, 2023 and 2022, the amounts of the combined comprehensive income of these non-significant subsidiaries were NT\$2,627,571 thousand and NT\$1,567,227 thousand, representing 36.33% and 24.30% of the consolidated total comprehensive income, respectively; for the nine months ended September 30, 2023 and 2022, the amounts of the combined comprehensive income of these non-significant subsidiaries were NT\$4,015,686 thousand and NT\$4,497,318 thousand, representing 29.58% and 29.21% of the consolidated total comprehensive income,

respectively. In addition, as disclosed in Note 15 to the consolidated financial statements, the total carrying amounts of the investments accounted for using the equity method were NT\$1,792,300 thousand and NT\$1,838,178 thousand as of September 30, 2023 and 2022, respectively. The share of profit of associates accounted for using the equity method was NT\$16,409 thousand and NT\$2,948 thousand for the three months ended September 30, 2023 and 2022, respectively; the share of profit of associates accounted for using the equity method was NT\$14,199 thousand and NT\$11,190 thousand for the nine months ended September 30, 2023 and 2022, respectively. The amounts of the related equity-method investments as well as the additional disclosures in Note 36 to the consolidated financial statements were based on the equity-method investees' unreviewed financial statements for the same reporting periods.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and the equity-method investees as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2023 and 2022, its consolidated financial performance for the three months ended September 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the nine months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Meng-Chieh Chiu and Shih-Ran Cheng.

Meng-Chieh, Chiu

Deloitte & Touche
Taipei, Taiwan
Republic of China

October 30, 2023

Shih-Ran Cheng

Notice to Readers

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

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

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2023		December 31, 2022		September 30, 2022	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 94,834,407	47	\$ 91,065,529	46	\$ 70,506,662	35
Financial assets at fair value through profit or loss (Note 7)	4,268,302	2	2,799,938	1	16,131,758	8
Financial assets at amortized cost (Notes 9 and 33)	21,625	-	-	-	3,042	-
Contract assets (Note 25)	241,551	-	484,791	-	594,295	-
Notes receivable, net (Note 11)	528,519	-	609,573	-	547,941	-
Trade receivables, net (Note 11)	36,663,038	18	38,127,682	19	44,518,919	22
Trade receivables from related parties (Note 32)	-	-	-	-	14,726	-
Other receivables (Note 11)	1,215,350	1	1,562,769	1	923,318	-
Other receivables from related parties (Note 32)	-	-	17,710	-	-	-
Inventories, net (Note 12)	26,014,861	13	27,747,465	14	31,448,701	15
Disposal groups held for sale (Note 13)	852,536	-	-	-	-	-
Other current assets (Note 20)	<u>2,470,755</u>	<u>1</u>	<u>2,537,757</u>	<u>1</u>	<u>2,966,646</u>	<u>1</u>
Total current assets	<u>167,110,944</u>	<u>83</u>	<u>164,953,214</u>	<u>83</u>	<u>167,656,008</u>	<u>83</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss (Note 7)	1,094,762	1	1,462,668	1	1,607,817	1
Financial assets at fair value through other comprehensive income (Note 8)	2,071,143	1	1,985,324	1	1,970,070	1
Financial assets at amortized cost (Notes 9 and 33)	515,183	-	465,790	-	312,308	-
Investments accounted for using the equity method (Note 15)	1,792,300	1	1,888,176	1	1,838,178	1
Property, plant and equipment, net (Notes 16 and 32)	18,610,194	9	19,078,678	10	19,370,631	10
Right-of-use assets, net (Note 17)	1,771,622	1	1,648,994	1	1,766,602	1
Investment properties, net (Note 18)	1,213,243	1	1,236,643	1	1,261,787	1
Intangible assets, net (Note 19)	3,672,334	2	3,692,521	2	3,687,631	2
Deferred tax assets	2,116,537	1	2,804,527	1	2,911,002	1
Refundable deposits	265,372	-	350,419	-	358,854	-
Net defined benefit assets (Note 23)	113,789	-	107,332	-	46,309	-
Other non-current assets (Note 20)	<u>110,514</u>	<u>-</u>	<u>107,451</u>	<u>-</u>	<u>109,910</u>	<u>-</u>
Total non-current assets	<u>33,346,993</u>	<u>17</u>	<u>34,828,523</u>	<u>17</u>	<u>35,241,099</u>	<u>17</u>
TOTAL	<u>\$ 200,457,937</u>	<u>100</u>	<u>\$ 199,781,737</u>	<u>100</u>	<u>\$ 202,897,107</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 21)	\$ 31,998,940	16	\$ 32,628,984	16	\$ 33,900,130	17
Financial liabilities at fair value through profit or loss (Note 7)	14,704	-	253,441	-	857,799	-
Contract liabilities (Note 25)	90,182	-	79,782	-	2,731	-
Notes payable	26	-	59	-	63	-
Trade payables	43,214,556	22	44,883,340	22	48,095,811	24
Trade payables to related parties (Note 32)	112	-	15,842	-	30,243	-
Other payables	21,194,927	11	22,630,490	11	21,410,620	11
Other payables to related parties (Note 32)	83	-	19,378	-	634	-
Current tax liabilities	6,591,918	3	5,609,887	3	6,606,865	3
Provisions (Note 22)	1,048,544	1	1,125,550	1	1,124,499	1
Liabilities directly associated with disposal groups held for sale (Note 13)	384,168	-	-	-	-	-
Lease liabilities (Note 17)	360,829	-	359,221	-	372,902	-
Advance receipts	<u>5,030,268</u>	<u>3</u>	<u>4,175,135</u>	<u>2</u>	<u>4,582,766</u>	<u>2</u>
Total current liabilities	<u>109,929,257</u>	<u>55</u>	<u>111,781,109</u>	<u>56</u>	<u>116,985,063</u>	<u>58</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 21)	3,000,000	1	3,000,000	2	3,000,000	1
Deferred tax liabilities	2,073,178	1	2,212,812	1	2,477,349	1
Lease liabilities (Note 17)	816,846	-	691,734	-	771,720	-
Guarantee deposits	<u>128,607</u>	<u>-</u>	<u>108,955</u>	<u>-</u>	<u>149,834</u>	<u>-</u>
Total non-current liabilities	<u>6,018,631</u>	<u>3</u>	<u>6,013,501</u>	<u>3</u>	<u>6,398,903</u>	<u>3</u>
Total liabilities	<u>115,947,888</u>	<u>58</u>	<u>117,794,610</u>	<u>59</u>	<u>123,383,966</u>	<u>61</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital						
Ordinary shares	<u>23,682,458</u>	<u>12</u>	<u>23,630,830</u>	<u>12</u>	<u>23,508,670</u>	<u>12</u>
Capital surplus	<u>23,168,789</u>	<u>12</u>	<u>22,706,153</u>	<u>11</u>	<u>22,811,662</u>	<u>11</u>
Retained earnings						
Legal reserve	18,258,300	9	16,780,649	8	16,780,649	8
Special reserve	2,908,326	1	3,214,551	2	3,214,551	2
Unappropriated earnings	<u>20,121,164</u>	<u>10</u>	<u>21,736,118</u>	<u>11</u>	<u>17,820,595</u>	<u>9</u>
Total retained earnings	<u>41,287,790</u>	<u>21</u>	<u>41,731,318</u>	<u>21</u>	<u>37,815,795</u>	<u>19</u>
Other equity	<u>(854,472)</u>	<u>-</u>	<u>(3,243,884)</u>	<u>(2)</u>	<u>(1,771,929)</u>	<u>(1)</u>
Treasury shares	<u>(3,445,820)</u>	<u>(2)</u>	<u>(3,468,412)</u>	<u>(2)</u>	<u>(3,468,412)</u>	<u>(2)</u>
Total equity attributable to owners of the Company	83,838,745	42	81,356,005	41	78,895,786	39
NON-CONTROLLING INTERESTS						
	<u>671,304</u>	<u>-</u>	<u>631,122</u>	<u>-</u>	<u>617,355</u>	<u>-</u>
Total equity	<u>84,510,049</u>	<u>42</u>	<u>81,987,127</u>	<u>41</u>	<u>79,513,141</u>	<u>39</u>
TOTAL	<u>\$ 200,457,937</u>	<u>100</u>	<u>\$ 199,781,737</u>	<u>100</u>	<u>\$ 202,897,107</u>	<u>100</u>

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

(With Deloitte & Touche review report dated October 30, 2023)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 25 and 32)								
Sales	\$ 40,984,157	103	\$ 47,127,280	102	\$ 113,498,349	102	\$ 133,162,997	102
Less: Sales allowance	923,375	2	885,748	2	1,770,111	2	2,551,497	2
Sales returns	103,558	-	67,213	-	303,814	-	249,928	-
Total operating revenue	39,957,224	100	46,174,319	100	111,424,424	100	130,361,572	100
COST OF GOODS SOLD (Notes 12, 26 and 32)	(30,525,697)	(76)	(37,171,651)	(81)	(86,892,867)	(78)	(105,514,836)	(81)
GROSS PROFIT	9,431,527	24	9,002,668	19	24,531,557	22	24,846,736	19
OPERATING EXPENSES (Notes 26 and 32)								
Selling and marketing expenses	(1,493,734)	(4)	(1,489,533)	(3)	(4,282,222)	(4)	(4,463,865)	(3)
General and administrative expenses	(1,278,359)	(3)	(1,194,848)	(3)	(3,324,316)	(3)	(3,341,126)	(3)
Research and development expenses	(2,036,612)	(5)	(1,898,963)	(4)	(5,847,638)	(5)	(5,268,752)	(4)
Expected credit gain (loss) reversal (Notes 11 and 25)	(2,816)	-	(25,132)	-	21,208	-	(27,518)	-
Total operating expenses	(4,811,521)	(12)	(4,608,476)	(10)	(13,432,968)	(12)	(13,101,261)	(10)
OPERATING INCOME	4,620,006	12	4,394,192	10	11,098,589	10	11,745,475	9
NON-OPERATING INCOME AND EXPENSES								
Other income (Notes 26 and 32)	168,934	-	178,001	-	664,841	1	487,068	-
Other gains and losses (Notes 16 and 26)	625,199	2	643,128	1	1,324,550	1	429,675	-
Finance cost (Note 26)	(402,257)	(1)	(220,760)	-	(1,115,166)	(1)	(410,425)	-
Interest income	715,955	2	350,669	1	2,026,719	2	735,282	1
Share of profit of associates accounted for using the equity method (Note 15)	16,409	-	2,948	-	14,199	-	11,190	-
Total non-operating income and expenses	1,124,240	3	953,986	2	2,915,143	3	1,252,790	1
PROFIT BEFORE INCOME TAX	5,744,246	14	5,348,178	12	14,013,732	13	12,998,265	10
INCOME TAX EXPENSE (Note 27)	(1,177,570)	(3)	(1,096,377)	(2)	(2,872,815)	(3)	(2,664,640)	(2)
NET PROFIT FOR THE PERIOD	4,566,676	11	4,251,801	9	11,140,917	10	10,333,625	8

(Continued)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 24 and 27)								
Items not reclassified subsequently to profit or loss:								
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	\$ (76,230)	-	\$ (123,303)	-	\$ 85,428	-	\$ (124,031)	-
Share of loss of associates and joint ventures accounted for using the equity method	(1,362)	-	-	-	(1,098)	-	(77)	-
	<u>(77,592)</u>	-	<u>(123,303)</u>	-	<u>84,330</u>	-	<u>(124,108)</u>	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	3,376,371	8	2,935,455	6	2,889,447	3	6,466,015	5
Share of the other comprehensive gain (loss) of associates accounted for using the equity method	45,806	-	(33,012)	-	32,379	-	5,118	-
Income tax benefit relating to items that may be reclassified subsequently to profit or loss	(678,216)	(2)	(580,845)	(1)	(569,386)	(1)	(1,282,036)	(1)
	<u>2,743,961</u>	<u>7</u>	<u>2,321,598</u>	<u>5</u>	<u>2,352,440</u>	<u>2</u>	<u>5,189,097</u>	<u>4</u>
Other comprehensive income (loss) for the period	<u>2,666,369</u>	<u>7</u>	<u>2,198,295</u>	<u>5</u>	<u>2,436,770</u>	<u>2</u>	<u>5,064,989</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 7,233,045</u>	<u>18</u>	<u>\$ 6,450,096</u>	<u>14</u>	<u>\$ 13,577,687</u>	<u>12</u>	<u>\$ 15,398,614</u>	<u>12</u>
NET PROFIT								
ATTRIBUTABLE TO:								
Owners of the Company	\$ 4,557,708	11	\$ 4,239,775	9	\$ 11,110,767	10	\$ 10,303,564	8
Non-controlling interests	<u>8,968</u>	-	<u>12,026</u>	-	<u>30,150</u>	-	<u>30,061</u>	-
	<u>\$ 4,566,676</u>	<u>11</u>	<u>\$ 4,251,801</u>	<u>9</u>	<u>\$ 11,140,917</u>	<u>10</u>	<u>\$ 10,333,625</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 7,207,634	18	\$ 6,414,912	14	\$ 13,515,133	12	\$ 15,321,137	12
Non-controlling interests	<u>25,411</u>	-	<u>35,184</u>	-	<u>62,554</u>	-	<u>77,477</u>	-
	<u>\$ 7,233,045</u>	<u>18</u>	<u>\$ 6,450,096</u>	<u>14</u>	<u>\$ 13,577,687</u>	<u>12</u>	<u>\$ 15,398,614</u>	<u>12</u>

(Continued)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
EARNINGS PER SHARE								
(NEW TAIWAN DOLLARS; Note 28)								
Basic	\$ 1.99		\$ 1.86		\$ 4.86		\$ 4.51	
Diluted	\$ 1.97		\$ 1.84		\$ 4.80		\$ 4.46	

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

(With Deloitte & Touche review report dated October 30, 2023)

(Concluded)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company								Other Equity (Notes 24 and 29)							
	Share Capital (Note 24)				Retained Earnings (Note 24)				Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Employee Compensation	Equity Directly Associated with Disposal Groups Held for Sale	Total	Treasury Shares (Note 24)	Non-controlling Interests (Note 24)	Total Equity
	Shares (In Thousands)	Amount	Share Capital to Be Cancelled	Capital Surplus (Note 24)	Legal Reserve	Special Reserve	Unappropriated Earnings	Total								
BALANCE AT JANUARY 1, 2022	2,350,867	\$ 23,508,670	\$ -	\$ 21,836,342	\$ 15,613,679	\$ 5,940,218	\$ 15,199,955	\$ 36,753,852	\$ (5,820,080)	\$ (236,908)	\$ -	\$ -	\$ (6,056,988)	\$ (3,700,808)	\$ 532,459	\$ 72,873,527
Appropriation of earnings:																
Legal reserve	-	-	-	-	1,166,970	-	(1,166,970)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	(2,725,667)	2,725,667	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(9,241,621)	(9,241,621)	-	-	-	-	-	-	-	(9,241,621)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,419	7,419
Difference between consideration and carrying amount of subsidiaries disposed of	-	-	-	30,549	-	-	-	-	-	-	-	-	-	-	-	30,549
Share-based payment transaction	-	-	-	744,607	-	-	-	-	-	-	(732,514)	-	(732,514)	-	-	12,093
Disposal of treasury stocks	-	-	-	88,015	-	-	-	-	-	-	-	-	-	232,396	-	320,411
Changes in percentage of ownership interests in subsidiaries	-	-	-	37,793	-	-	-	-	-	-	-	-	-	-	-	37,793
Restructuring	-	-	-	(29,824)	-	-	-	-	-	-	-	-	-	-	-	(29,824)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	6,622	-	-	-	-	-	-	-	-	-	-	-	6,622
Changes in capital surplus from cash dividends of the Company paid to subsidiaries	-	-	-	97,517	-	-	-	-	-	-	-	-	-	-	-	97,517
Other changes in equity	-	-	-	41	-	-	-	-	-	-	-	-	-	-	-	41
Net profit for the nine months ended September 30, 2022	-	-	-	-	-	-	10,303,564	10,303,564	-	-	-	-	-	-	30,061	10,333,625
Other comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	-	-	-	-	5,141,681	(124,108)	-	-	5,017,573	-	47,416	5,064,989
Total comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	-	-	10,303,564	10,303,564	5,141,681	(124,108)	-	-	5,017,573	-	77,477	15,398,614
BALANCE AT SEPTEMBER 30, 2022	<u>2,350,867</u>	<u>\$ 23,508,670</u>	<u>\$ -</u>	<u>\$ 22,811,662</u>	<u>\$ 16,780,649</u>	<u>\$ 3,214,551</u>	<u>\$ 17,820,595</u>	<u>\$ 37,815,795</u>	<u>\$ (678,399)</u>	<u>\$ (361,016)</u>	<u>\$ (732,514)</u>	<u>\$ -</u>	<u>\$ (1,771,929)</u>	<u>\$ (3,468,412)</u>	<u>\$ 617,355</u>	<u>\$ 79,513,141</u>
BALANCE AT JANUARY 1, 2023	2,363,083	\$ 23,630,830	\$ -	\$ 22,706,153	\$ 16,780,649	\$ 3,214,551	\$ 21,736,118	\$ 41,731,318	\$ (2,315,737)	\$ (304,465)	\$ (623,682)	\$ -	\$ (3,243,884)	\$ (3,468,412)	\$ 631,122	\$ 81,987,127
Appropriation of earnings:																
Legal reserve	-	-	-	-	1,477,651	-	(1,477,651)	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(11,622,983)	(11,622,983)	-	-	-	-	-	-	-	(11,622,983)
Special reserve	-	-	-	-	-	(306,225)	306,225	-	-	-	-	-	-	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	25	-	-	-	-	-	-	-	-	-	-	-	25
Cancellation of treasury shares	(462)	(4,620)	-	(17,972)	-	-	-	-	-	-	-	-	-	22,592	-	-
Changes in capital surplus from cash dividends of the Company paid to subsidiaries	-	-	-	103,246	-	-	-	-	-	-	-	-	-	-	-	103,246
Disposal of investments accounted for using equity method or subsidiaries	-	-	-	-	-	-	-	-	53,994	-	-	-	53,994	-	4,314	58,308
Share-based payment transaction	5,625	57,312	(1,064)	377,337	-	-	820	820	-	-	(1,080)	-	(1,080)	-	-	433,325
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(26,686)	(26,686)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	67,868	67,868	-	(67,868)	-	-	(67,868)	-	-	-
Equity directly associated with disposal groups held for sale	-	-	-	-	-	-	-	-	112,482	-	-	(112,482)	-	-	-	-
Net profit for the nine months ended September 30, 2023	-	-	-	-	-	-	11,110,767	11,110,767	-	-	-	-	-	-	30,150	11,140,917
Other comprehensive income for the nine months ended September 30, 2023	-	-	-	-	-	-	-	-	2,320,036	84,330	-	-	2,404,366	-	32,404	2,436,770
Total comprehensive income for the nine months ended September 30, 2023	-	-	-	-	-	-	11,110,767	11,110,767	2,320,036	84,330	-	-	2,404,366	-	62,554	13,577,687
BALANCE AT SEPTEMBER 30, 2023	<u>2,368,246</u>	<u>\$ 23,683,522</u>	<u>\$ (1,064)</u>	<u>\$ 23,168,789</u>	<u>\$ 18,258,300</u>	<u>\$ 2,908,326</u>	<u>\$ 20,121,164</u>	<u>\$ 41,287,790</u>	<u>\$ 170,775</u>	<u>\$ (288,003)</u>	<u>\$ (624,762)</u>	<u>\$ (112,482)</u>	<u>\$ (854,472)</u>	<u>\$ (3,445,820)</u>	<u>\$ 671,304</u>	<u>\$ 84,510,049</u>

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

(With Deloitte & Touche review report dated October 30, 2023)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 14,013,732	\$ 12,998,265
Adjustments for:		
Depreciation expenses	3,150,310	3,274,652
Amortization expenses	126,501	113,364
Expected credit loss (reversal)	(21,208)	27,518
Net gain on fair value change of financial instruments as at fair value through profit or loss	(3,041,780)	(3,311,531)
Finance costs	1,115,166	410,425
Interest income	(2,026,719)	(735,282)
Dividend income	(2,127)	(6,985)
Share of profit of associates accounted for using the equity method	(14,199)	(11,190)
Net gain on disposal of property, plant and equipment	(3,980)	(14,106)
Net loss on disposal of investments accounted for using the equity method	9,897	-
(Reversal of) impairment loss recognized on non-financial assets	(178,675)	406,288
Unrealized net loss on foreign currency exchange	1,454,285	1,832,678
Recognition of provisions	64,188	80,685
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	2,705,724	(44,574)
Contract assets	292,788	266,156
Notes receivable	77,056	(75,538)
Trade receivables	1,514,339	(1,377,623)
Trade receivables from related parties	-	(2,587)
Other receivables	532,022	5,658
Other receivables from related parties	17,710	3,265
Inventories	2,452,994	2,431,837
Other current assets	73,636	(255,737)
Contract liabilities	(10,400)	-
Notes payable	(33)	19
Trade payables	(2,664,809)	(2,502,908)
Trade payables to related parties	(15,730)	(8,099)
Other payables	(965,849)	640,042
Other payables to related parties	(19,295)	(1,071)
Provisions	(103,947)	(124,160)
Advance receipts	828,062	1,488,065
Net defined benefit assets	(6,457)	(8,377)
Cash generated from operations	19,353,202	15,499,149
Interest received	1,858,508	640,398
Dividends received	2,127	6,985
		(Continued)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2023	2022
Interest paid	\$ (1,150,557)	\$ (335,126)
Income tax paid	<u>(2,217,669)</u>	<u>(2,724,439)</u>
Net cash generated from operating activities	<u>17,845,611</u>	<u>13,086,967</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of financial assets at fair value through other comprehensive income	(47,108)	(195,347)
Proceeds from disposal of financial assets at fair value through other comprehensive income	109,133	-
Purchases of financial assets at amortized cost	(71,876)	(22,141)
Proceeds from disposal of financial assets at amortized cost	-	168
Purchases of financial assets at fair value through profit and loss	(24,380,391)	(32,920,399)
Proceeds from disposal of financial assets at fair value through profit and loss	23,379,511	22,061,243
Net cash inflow on disposal of associates	105,246	-
Acquisition of property, plant and equipment	(2,556,344)	(3,357,362)
Proceeds from disposal of property, plant and equipment	6,163	22,660
Increase in refundable deposits	-	(64,685)
Decrease in refundable deposits	49,688	-
Acquisition of intangible assets	(85,504)	(115,791)
Decrease in other non-current assets	299	268
Dividend from associates	<u>28,993</u>	<u>31,865</u>
Net cash used in investing activities	<u>(3,462,190)</u>	<u>(14,559,521)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	5,090,972
Repayments from short-term borrowings	(660,689)	-
Proceeds from long-term borrowings	-	3,000,000
Proceeds from guarantee deposits received	18,271	5,835
Repayments of the principal portion of lease liabilities	(371,790)	(329,781)
Cash dividends paid	(11,518,917)	(9,144,104)
Disposal of treasury shares	-	320,411
Proceeds from disposal of partial interests in subsidiaries without a loss of control	-	54,840
Changes in non-controlling interests	<u>(21,931)</u>	<u>(20,275)</u>
Net cash used in financing activities	<u>(12,555,056)</u>	<u>(1,022,102)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>2,251,655</u>	<u>4,725,483</u>
		(Continued)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2023	2022
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 4,080,020	\$ 2,230,827
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>91,065,529</u>	<u>68,275,835</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 95,145,549</u>	<u>\$ 70,506,662</u>

Reconciliation between balance sheets and statements of cash flows:

	September 30	
	2023	2022
Cash and cash equivalents on consolidated balance sheet	\$ 94,834,407	\$ 70,506,662
Cash and cash equivalents included in disposal groups held for sale	<u>311,142</u>	<u>-</u>
Cash and cash equivalents at the end of the period	<u>\$ 95,145,549</u>	<u>\$ 70,506,662</u>

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

(With Deloitte & Touche review report dated October 30, 2023)

(Concluded)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

1. GENERAL INFORMATION

LITE-ON TECHNOLOGY CORPORATION (the “Company”) was established in March 1989. The main businesses include: Research and development design, manufacturing and sales of key modules and system solutions for opto-electronics, cloud computing power management systems, automotive electronics and EV chargers, energy management, LED packaging for lighting applications, AIoT and networking applications, information technology and consumer electronics.

The Company merged with Lite-On Electronics, Inc., Silitek Corp. and GVC Corp., with the Company as the surviving entity. The merger took effect on November 4, 2002, and the Company thus assumed all rights and obligations of the three merged companies on that date.

The Company merged with its subsidiary, Lite-On Enclosure Inc., with the Company as the surviving entity. The merger took effect on April 1, 2004, and the Company thus assumed all rights and obligations of its former subsidiary on that date.

The Company separately merged with Li Shin International Enterprise Corp., Lite-On Clean Energy Technology Corp., Lite-On Automotive Corp., Leotek Electronics Corp., Lite-On IT Corporation and LarView Technologies Corp., with the Company as the surviving entity. The mergers separately and respectively took effect on March 22, 2014, April 15, 2014, June 1, 2014, June 29, 2014, June 30, 2014 and September 1, 2014, with the Company as the surviving entity of all the mergers, and the Company thus assumed all rights and obligations of the six merged companies on those respective dates.

The consolidated financial statements of the Company and its subsidiaries, here to forth 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 and issued on October 30, 2023.

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

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

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2024

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

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

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

Note 3: The amendments provide some transition relief regarding disclosure requirements.

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. 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 cost on initial recognition of an investment in an associate.

See Note 14 and Table 8 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, for the summary of other significant accounting policies, refer to the consolidated financial statements for the year ended December 31, 2022.

1) Non-current asset held for sale

Non-current asset (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal groups) is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

When a sale plan would result in a loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale, regardless of whether the Group will retain a non-controlling interest in that subsidiary after the sale. However, such investment is still accounted for using the equity method.

Non-current asset (or disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Such assets classified as held for sale are not depreciated.

2) Retirement benefits

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

3) Taxation

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Refer to the consolidated financial statements for the year ended December 31, 2022 for the critical accounting judgments and key sources of estimation uncertainty.

6. CASH AND CASH EQUIVALENTS

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand	\$ 1,654	\$ 1,750	\$ 1,916
Checking accounts	778,377	1,075,010	721,121
Demand deposits	30,487,584	33,243,220	25,312,883
Time deposits	<u>63,566,792</u>	<u>56,745,549</u>	<u>44,470,742</u>
	<u>\$ 94,834,407</u>	<u>\$ 91,065,529</u>	<u>\$ 70,506,662</u>

The market interest rate intervals of cash and cash equivalents at the end of the reporting period are as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Demand deposits	0%-5.25%	0%-4.12%	0%-3.30%
Time deposits	0.50%-13.03%	0.40%-14.06%	0.38%-13.65%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Forward exchange contracts (a)	\$ 2,176,672	\$ 2,393,303	\$ 4,654,058
Currency swaps (a)	-	406,635	72,738
Hybrid financial assets - structured deposits (b)	<u>2,091,630</u>	<u>-</u>	<u>11,404,962</u>
	<u>\$ 4,268,302</u>	<u>\$ 2,799,938</u>	<u>\$ 16,131,758</u>

Financial assets at FVTPL - non-current

Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Foreign listed shares	\$ 36,018	\$ 556,171	\$ 692,645
Mutual funds	743,888	597,647	594,636
Domestic listed shares	9,855	10,045	9,305
Hybrid financial assets			
Foreign convertible preferred shares	305,001	298,805	295,381
Foreign convertible bonds	<u>-</u>	<u>-</u>	<u>15,850</u>
	<u>\$ 1,094,762</u>	<u>\$ 1,462,668</u>	<u>\$ 1,607,817</u>

(Continued)

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial liabilities at FVTPL - current</u>			
Financial liabilities held for trading			
Derivative financial instruments (not under hedge accounting)			
Forward exchange contracts (a)	\$ 7,074	\$ 248,584	\$ 127,448
Currency swaps (a)	<u>7,630</u>	<u>4,857</u>	<u>730,351</u>
	<u>\$ 14,704</u>	<u>\$ 253,441</u>	<u>\$ 857,799</u>
			(Concluded)

- a. At the end of the reporting period, outstanding cross-currency swaps and forward exchange contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>September 30, 2023</u>			
The Company			
Forward exchange contracts	USD/NTD	2023.10.19- 2024.6.13	USD821,000/NTD24,351,266
Currency swaps	USD/NTD	2023.10.6	USD50,000/NTD1,602,700
LITE-ON SINGAPORE PTE. LTD.			
Forward exchange contracts	USD/NTD	2023.10.11- 2023.12.21	USD255,000/NTD7,704,080
Forward exchange contracts	USD/INR	2023.10.6	USD5,000/INR 415,433
Forward exchange contracts	USD/MXN	2023.10.18	USD13,000/MXN223,340
<u>December 31, 2022</u>			
The Company			
Forward exchange contracts	USD/NTD	2023.01.04- 2023.12.18	USD1,534,000/NTD44,463,226
Currency swaps	USD/NTD	2023.01.09- 2023.02.10	USD600,000/NTD18,647,720
Lite-On Overseas Trading Co., Ltd.			
Forward exchange contracts	USD/CNY	2023.01.09	USD56,500/CNY393,789
Forward exchange contracts	USD/INR	2023.01.04- 2023.01.06	USD13,000/INR1,075,355
Forward exchange contracts	USD/MXN	2023.01.11	USD9,000/MXN179,415
Forward exchange contracts	USD/HKD	2023.01.09- 2023.03.16	USD171,500/HKD1,339,075
LITE-ON SINGAPORE PTE. LTD.			
Currency swaps	USD/CNY	2023.01.17	USD120,000/CNY859,020
			(Continued)

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>September 30, 2022</u>			
The Company			
Forward exchange contracts	USD/NTD	2022.10.28- 2023.09.28	USD1,310,000/NTD36,819,571
Currency swaps	USD/NTD	2022.10.07- 2022.10.28	USD720,000/NTD22,201,360
Lite-On Overseas Trading Co., Ltd.			
Forward exchange contracts	USD/CNY	2022.10.11- 2022.11.14	USD55,000/CNY382,541
Forward exchange contracts	USD/THB	2022.11.14	USD2,000/THB72,694
LITE-ON SINGAPORE PTE. LTD.			
Forward exchange contracts	USD/NTD	2022.10.06- 2022.11.22	USD251,000/NTD7,424,485
Forward exchange contracts	USD/INR	2022.10.11- 2022.11.21	USD19,000/INR1,523,521
Forward exchange contracts	EUR/USD	2022.11.14	EUR33,000/USD33,099
Forward exchange contracts	USD/BRL	2022.10.31	USD3,000/BRL15,377
Forward exchange contracts	USD/MXN	2022.10.13	USD9,000/MXN180,342
Forward exchange contracts	USD/CNY	2022.10.11- 2022.12.30	USD55,500/CNY378,448
Forward exchange contracts	USD/HKD	2022.11.30	USD55,000/HKD429,710
Currency swaps	USD/CNY	2022.10.11	USD91,000/CNY621,321
Philip & Lite-On Digital Solutions Corporation			
Currency swaps	USD/NTD	2022.10.12	USD20,000/NTD593,700
(Concluded)			

The Group entered into derivative contracts to manage exposures due to fluctuations of foreign exchange rates. The derivative contracts entered into by the Group did not meet the criteria for hedge accounting. Thus, the derivative contracts are classified as financial assets or financial liabilities at FVTPL. The financial risk management objectives of the Group were to minimize risks due to changes in fair value or cash flows.

- b. The Group entered into structured time deposits contract with banks for a period of less than one year. The structured time deposit contract includes an embedded derivative which is not closely related to the host contract. The entire contract was assessed and mandatorily classified 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 (FVTOCI)

Investments in Equity Instruments at FVTOCI

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Non-current</u>			
Domestic investments			
Listed shares and emerging market shares	\$ 268,346	\$ 309,030	\$ 304,199
Listed Taiwan Innovation Board shares	431,943	421,780	377,315
Unlisted shares	<u>77,358</u>	<u>23,435</u>	<u>16,133</u>
	<u>777,647</u>	<u>754,245</u>	<u>697,647</u>
Foreign investments			
Unlisted shares	<u>1,293,496</u>	<u>1,231,079</u>	<u>1,272,423</u>
	<u>\$ 2,071,143</u>	<u>\$ 1,985,324</u>	<u>\$ 1,970,070</u>

The above domestic and foreign investments in equity instruments are held for medium to long-term strategic purposes and are expected to generate return in the long run. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as it believes that recognizing the short-term fluctuations of fair value in profit or loss would not be consistent with the Group's investment strategy.

9. FINANCIAL ASSETS AT AMORTIZED COSTS

	September 30, 2023	December 31, 2022	September 30, 2022
Pledged deposits	<u>\$ 536,808</u>	<u>\$ 465,790</u>	<u>\$ 315,350</u>
Current	\$ 21,625	\$ -	\$ 3,042
Non-current	<u>515,183</u>	<u>465,790</u>	<u>312,308</u>
	<u>\$ 536,808</u>	<u>\$ 465,790</u>	<u>\$ 315,350</u>

- Refer to Note 10 for information related to credit risk management and impairment evaluation of financial assets at amortized cost.
- Refer to Note 33 for information related to investments in financial assets at amortized cost pledged as security.

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments were classified as at amortized cost.

	September 30, 2023	December 31, 2022	September 30, 2022
<u>At amortized cost</u>			
Gross carrying amount	\$ 536,808	\$ 465,790	\$ 315,350
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
Amortization costs	<u>\$ 536,808</u>	<u>\$ 465,790</u>	<u>\$ 315,350</u>

In order to minimize credit risk, the Group has tasked its credit management committee with the development and maintenance of a credit risk grading framework for categorizing exposures according to the degree of the risk of default. The credit rating information may be obtained from independent rating agencies, where available, and if not available, the credit management committee uses other publicly available financial information to rate the debtors.

11. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES, NET

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Notes receivable</u>			
Notes receivable - operating	<u>\$ 528,519</u>	<u>\$ 609,573</u>	<u>\$ 547,941</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 36,823,587	\$ 38,908,084	\$ 45,228,563
Allowance for impairment loss	<u>(160,549)</u>	<u>(780,402)</u>	<u>(709,644)</u>
	<u>\$ 36,663,038</u>	<u>\$ 38,127,682</u>	<u>\$ 44,518,919</u>

a. Notes receivable

The aging of notes receivable was as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Not past due	<u>\$ 528,519</u>	<u>\$ 609,573</u>	<u>\$ 547,941</u>

The above aging schedule was based on the number of days past the due date.

b. Trade receivables

The average credit period on the sales of goods was approximately 90 days, and no interest was charged on trade receivables. 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 receivables. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period 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 estimates expected credit losses according to the prescribed approach, which permits the recognition of lifetime expected losses for all trade receivables. The expected credit losses on trade receivables are estimated using an allowance matrix, which takes into consideration the historical credit loss experience with the respective debtor, the current financial position of the debtor, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlooks. The Group uses different provision matrixes based on customer segments by default risks and determines the expected credit loss by reference to the expected credit loss rate of each customer segment.

The Group writes off a trade receivable when there is information indicating that the debtor is experiencing 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 which are due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

September 30, 2023

	Not Past Due	Past Due Within 60 Days	Past Due 61 to 210 Days	Past Due 211 to 240 Days	Past Due over 241 Days	Total
Expected credit loss rate	0%	0.1%-5%	40%-70%	50%-100%	100%	
Gross carrying amount	\$ 36,390,404	\$ 251,498	\$ 54,906	\$ 29,944	\$ 96,835	\$ 36,823,587
Loss allowance	-	(1,127)	(37,205)	(25,382)	(96,835)	(160,549)
Amortized cost	<u>\$ 36,390,404</u>	<u>\$ 250,371</u>	<u>\$ 17,701</u>	<u>\$ 4,562</u>	<u>\$ -</u>	<u>\$ 36,663,038</u>

December 31, 2022

	Not Past Due	Past Due Within 60 Days	Past Due 61 to 210 Days	Past Due 211 to 240 Days	Past Due over 241 Days	Total
Expected credit loss rate	0%	0.1%-5%	40%-70%	50%-100%	100%	
Gross carrying amount	\$ 37,524,222	\$ 422,534	\$ 305,910	\$ 325	\$ 655,093	\$ 38,908,084
Loss allowance	-	(2,135)	(122,996)	(178)	(655,093)	(780,402)
Amortized cost	<u>\$ 37,524,222</u>	<u>\$ 420,399</u>	<u>\$ 182,914</u>	<u>\$ 147</u>	<u>\$ -</u>	<u>\$ 38,127,682</u>

September 30, 2022

	Not Past Due	Past Due Within 60 Days	Past Due 61 to 210 Days	Past Due 211 to 240 Days	Past Due over 241 Days	Total
Expected credit loss rate	0%	0.1%-5%	40%-70%	50%-100%	100%	
Gross carrying amount	\$ 43,875,676	\$ 525,590	\$ 250,202	\$ 58,392	\$ 518,703	\$ 45,228,563
Loss allowance	-	(1,060)	(155,213)	(34,668)	(518,703)	(709,644)
Amortized cost	<u>\$ 43,875,676</u>	<u>\$ 524,530</u>	<u>\$ 94,989</u>	<u>\$ 23,724</u>	<u>\$ -</u>	<u>\$ 44,518,919</u>

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

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 780,402	\$ 449,802
Add: Expected credit loss	68,106	19,754
Amounts written off	-	(3,854)
Reclassified as disposal groups held for sale	(961,049)	-
Transfers to loss allowance from contract assets	228,235	177,176
Foreign exchange translation	<u>44,855</u>	<u>66,766</u>
Balance at September 30	<u>\$ 160,549</u>	<u>\$ 709,644</u>

c. Other receivables

The Group's other receivables mainly include disposal of subsidiaries shares, interest, VAT and tax refund receivables, and others.

In order to minimize credit risk, the management of the Group has assigned a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that appropriate action is taken to recover overdue other receivables. In addition, the Group reviews the recoverable amount of each individual other receivable on the balance sheet date to ensure that adequate allowance is made for possible irrecoverable amounts.

The Group considered the credit risk of partial other receivables for the nine months ended September 30, 2023 had decreased significantly since the initial recognition and, therefore, reversed the lifetime expected credit loss of \$91,540 thousand.

12. INVENTORIES, NET

	September 30, 2023	December 31, 2022	September 30, 2022
Finished goods	\$ 14,289,709	\$ 15,790,041	\$ 17,367,288
Raw materials	9,001,622	9,510,424	10,794,831
Work in progress	2,486,280	2,366,517	3,124,156
Inventory in transit	234,715	79,418	162,426
Merchandise	<u>2,535</u>	<u>1,065</u>	<u>-</u>
	<u>\$ 26,014,861</u>	<u>\$ 27,747,465</u>	<u>\$ 31,448,701</u>

The costs of inventories recognized as cost of goods sold for the three months and nine months ended September 30, 2023 were \$30,525,697 thousand and \$86,892,867 thousand, respectively. The costs of inventories recognized as cost of goods sold for the three months and nine months ended September 30, 2022 were \$37,171,651 thousand and \$105,514,836 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the three months and nine months ended September 30, 2023 included a reduction in cost of goods sold amounting to \$21,512 thousand and \$179,266 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the three months and nine months ended September 30, 2022 included an increase in the cost of goods sold amounting to \$84,566 thousand and \$404,987 thousand, respectively, due to a decrease in the inventory's net realizable value.

13. DISPOSAL GROUPS HELD FOR SALE

**September 30,
2023**

Disposal groups held for sale

Cash and cash equivalents	\$ 311,142
Trade receivables and contract assets	463,139
Inventories, net	4,951
Other current assets	19,419
Other non-current assets	<u>53,885</u>
	<u>\$ 852,536</u>

Liabilities directly associated with disposal group held for sale

Trade and other payables	\$ 342,174
Provision	<u>41,994</u>
	<u>\$ 384,168</u>

Equity directly associated with disposal groups held for sale \$ (112,482)

The board of directors of the Company resolved to dispose of all direct-owned shares of KBW-LITEON Jordan Private Shareholding Limited and KBW-LEOTEK Jordan Private Shareholding Limited in August 2023. A buyer has been sought and the sale process is expected to be completed within one year. The relevant assets and liabilities were reclassified as disposal groups held for sale. As the expected selling price exceeds the carrying amount of the relevant net assets, no impairment loss is recognized upon classification of these units as held for sale.

14. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

Investor	Investee	Main Business	% of Ownership			Remark
			September 30, 2023	December 31, 2022	September 30, 2022	
The Company	Lite-On Integrated Service Inc.	Information outsourcing and system integration	-	-	100.00	1), 5)
	Lite-On Capital Corporation	Investment activities	100.00	100.00	100.00	1)
	SKYLA CORPORATION	Manufacture and sale of medical equipment	55.19	55.19	55.19	1)
	LITE-ON ELECTRONICS H.K. LIMITED	Sale of LED optical products	100.00	100.00	100.00	1)
	Lite-On Electronics (Thailand) Co., Ltd.	Manufacture and sale of LED optical products	100.00	100.00	100.00	1)
	Lite-On Japan Ltd.	Sale of LED optical products and power supplies	100.00	100.00	100.00	1)
	Lite-On International Holding Co., Ltd.	Investment activities	100.00	100.00	100.00	-
	LTC GROUP LTD.	Investment activities	100.00	100.00	100.00	1)
	LITE-ON TECHNOLOGY USA, INC.	Investment activities	100.00	100.00	100.00	1)
	LITE-ON ELECTRONICS (EUROPE) LIMITED	Manufacture and sale of power supplies	100.00	100.00	100.00	1)
	Lite-On Technology (Europe) B.V.	Market research and after-sales services	54.00	54.00	54.00	1)
	Lite-On Overseas Trading Co., Ltd.	Investment activities	100.00	100.00	100.00	-

(Continued)

Investor	Investee	Main Business	% of Ownership			Remark
			September 30, 2023	December 31, 2022	September 30, 2022	
LEOTEK CORPORATION Lite-On Capital Corporation	LITE-ON SINGAPORE PTE. LTD.	Manufacture and supply of computer peripheral products	100.00	100.00	100.00	-
	LITE-ON VIETNAM CO., LTD.	Electronic contract manufacturing	100.00	100.00	100.00	1)
	EAGLE ROCK INVESTMENT LTD.	Import and export and investment activities	100.00	100.00	100.00	1)
	LITE-ON MOBILE PTE. LTD.	Manufacture and sale of mobile phone modules and design of assembly lines	100.00	100.00	100.00	1)
	HIGH YIELD GROUP CO., LTD.	Holding company	100.00	100.00	100.00	1)
	Philips & Lite-On Digital Solutions Corporation	Sale of optical disc drives	49.00	49.00	49.00	-
	LET (HK) LIMITED	Sale of optical disc drives	100.00	100.00	100.00	1)
	Lite-On Automotive International (Cayman) Co., Ltd.	Investment activities	100.00	100.00	100.00	1)
	LITE-ON AUTOMOTIVE ELECTRONICS MEXICO, S.A. DE C.V.	Production, manufacture, sale, import and export of photovoltaic devices, key electronic components, telecommunications equipment, information technology equipment, semiconductor applications, general lighting, automotive electronics, renewable energy products and systems and maintenance within the automotive industry	99.00	99.00	99.00	1)
	LITE-ON POWER ELECTRONIC INDIA PRIVATE LIMITED	Manufacture and sale of phone chargers and power supplies	99.00	99.00	99.00	1)
	KBW-LITEON Jordan Private Shareholding Limited	Production and manufacture of energy-saving lights and project construction and maintenance	99.86	99.86	99.86	1), 9)
	KBW-LEOTEK Jordan Private Shareholding Limited	Investment activities	49.00	49.00	49.00	1), 9)
	LEOTEK CORPORATION (formerly: LEOTEK ROADWAY AND TRAFFIC)	Wholesale, import, export and installation of street lights, signal lights, scenery lights and new-type electronic components	100.00	100.00	100.00	1)
	LITE-ON MOBILE INDÚSTRIA E COMÉRCIO DE PLÁSTICOS LTDA.	Manufacture and sale of mobile phone modules and design for assembly line	2.97	2.97	2.97	1)
	CEDARS DIGITAL PTE. LTD.	Software development and application, IT consulting services	100.00	-	-	1), 8)
	LEOTEK CORPORATION	LEOTEK ELECTRONICS USA LLC.	100.00	100.00	100.00	1)
	Lite-On Capital Corporation	Lite-On Green Technologies, Inc.	100.00	100.00	100.00	1)
		Lite-on Green Energy (HK) Limited	100.00	100.00	100.00	1)
		Lite-On Technology (Europe) B.V.	46.00	46.00	46.00	1)
		LITE-ON GREEN ENERGY (SINGAPORE) PTE. LTD.	100.00	100.00	100.00	1)
Lite-On Green Technologies, Inc. LITE-ON GREEN ENERGY (SINGAPORE) PTE. LTD. LITE-ON ELECTRONICS H.K. LIMITED		Lite-On Green Technologies B.V.	100.00	100.00	100.00	1)
		Lite-On Green Energy B.V.	100.00	100.00	100.00	1)
		LITE-ON ELECTRONICS (TIANJIN) CO., LTD.	100.00	100.00	100.00	1)
		LITE-ON NETWORK COMMUNICATION (DONGGUAN) LIMITED	100.00	100.00	100.00	1)
		CHINA BRIDGE (CHINA) CO., LTD.	100.00	100.00	100.00	1)
		LITE-ON ELECTRONICS (DONGGUAN) CO., LTD.	100.00	100.00	100.00	1)
		SILITEK ELEC. (DONGGUAN) CO., LTD.	100.00	100.00	100.00	1)
		LITE-ON COMPUTER TECHNOLOGY (DONGGUAN) CO., LTD.	100.00	100.00	100.00	1), 3)
	CHINA BRIDGE (CHINA) CO., LTD.	LITE-ON OPTO TECHNOLOGY (CHANGZHOU) CO., LTD.	12.59	12.59	12.59	-
		WUXI CHINA BRIDGE EXPRESS TRADING CO., LTD.	100.00	100.00	100.00	1)
LITE-ON ELECTRONICS COMPANY LIMITED		LITEON COMMUNICATION (GUANGZHOU) COMPANY LIMITED	100.00	100.00	100.00	1), 2)
		LITE-ON ELECTRONICS (GUANGZHOU) LIMITED	100.00	100.00	100.00	-
		LITEON ELECTRONICS AND WIRELESS (GUANGZHOU) LIMITED	100.00	100.00	100.00	1), 2)
		LITE-ON (GUANGZHOU) PRECISION TOOLING LTD.	67.03	67.03	67.03	1), 2)
		LITE-ON TECHNOLOGY (GUANGZHOU) LIMITED	100.00	100.00	100.00	1), 2)
		LITE-ON TECHNOLOGY (JIANGSU) CO., LTD.	100.00	100.00	100.00	1)
		LITE-ON TECHNOLOGY (GZ) INVESTMENT COMPANY LIMITED	100.00	100.00	100.00	1)
		LITE-ON POWER TECHNOLOGY (DONGGUAN) CO., LTD.	100.00	100.00	100.00	1)

(Continued)

Investor	Investee	Main Business	% of Ownership			Remark
			September 30, 2023	December 31, 2022	September 30, 2022	
LITE-ON TECHNOLOGY (GZ) INVESTMENT COMPANY LIMITED	LITE-ON (GUANGZHOU) PRECISION TOOLING LTD.	Manufacture and sale of modules	32.97	32.97	32.97	1), 2)
LITE-ON TECHNOLOGY (JIANGSU) CO., LTD.	LITE-ON TECHNOLOGY (CHANGZHOU) CO., LTD.	Development, manufacture, sale and installation of power supplies and transformers and provision of technology consulting services, maintenance equipment and after-sales services	100.00	100.00	100.00	-
	LITE-ON OPTO TECHNOLOGY (CHANGZHOU) CO., LTD.	Development, manufacture and sale of new-type electronic components and LEDs and provision of technology consulting services, maintenance equipment and after-sales services	87.41	87.41	87.41	-
	LITE-ON MEDICAL DEVICE (CHANGZHOU) LTD.	Manufacture and sale of medical equipment	100.00	100.00	100.00	1)
	CHANGZHOU LEOTEK NEW ENERGY TRADE LIMITED	Wholesale, import, export and installation of street lights, signal lights, scenery lights and new-type electronic components	100.00	100.00	100.00	1)
	LITE-ON AUTOMOTIVE ELECTRONICS (CHANGZHOU) CO., LTD.	Manufacture, sale and processing of electronic products	100.00	100.00	100.00	1)
	LITE-ON GREEN TECHNOLOGIES (NANJING) CORPORATION	Solar energy engineering	100.00	100.00	100.00	1)
YET FOUNDATE LIMITED	DONGGUAN LITE-ON COMPUTER CO., LTD.	Manufacture and sale of computer hosts and components	100.00	100.00	100.00	1)
FORDGOOD ELECTRONIC LIMITED	LITEON LI SHIN TECHNOLOGY (GANZHOU) LTD	Manufacture and sale of electronic components	100.00	100.00	100.00	1)
LITE-ON TECHNOLOGY USA, INC.	LITE-ON, INC.	Sales data processing of optoelectronic products and power supplies	100.00	100.00	100.00	1)
	LITE-ON TRADING USA, INC.	Sale of optical products	100.00	100.00	100.00	-
	POWER INNOVATIONS INTERNATIONAL, INC.	Development, design and manufacture of power controls and energy management	100.00	100.00	100.00	1)
	LITE-ON TECHNOLOGY SERVICE, INC.	After-sales service of optical products	100.00	100.00	100.00	1)
Lite-On International Holding Co., Ltd.	LITE-ON CHINA HOLDING CO., LTD.	Investment activities	100.00	100.00	100.00	-
LITE-ON SINGAPORE PTE. LTD.	LITE-ON TECHNOLOGY (XIANNING) CO., LTD.	Manufacture and sale of electronic components	100.00	100.00	100.00	1)
	LITE-ON TECHNOLOGY (SHANGHAI) CO., LTD.	Manufacture and sale of energy saving equipment	100.00	100.00	100.00	1)
	LITE-ON AUTOMOTIVE ELECTRONICS MEXICO, S.A. DE C.V.	Production, manufacture, sale, import and export of photovoltaic devices, key electronic components, telecommunications equipment, information technology equipment, semiconductor applications, general lighting, automotive electronics, renewable energy products and systems and maintenance within the automotive industry	1.00	1.00	1.00	1)
	LITE-ON POWER ELECTRONIC INDIA PRIVATE LIMITED	Manufacture and sale of phone chargers and power supplies	1.00	1.00	1.00	1)
LITE-ON TECHNOLOGY (SHANGHAI) CO., LTD.	LITE-ON INTELLIGENT TECHNOLOGY (YENCHENG) CORP.	Wholesale, import, export and installation of street lights, signal lights, scenery lights and new-type electronic components	100.00	100.00	100.00	1)
LTC GROUP LTD.	TITANIC CAPITAL SERVICES LTD.	Investment activities	100.00	100.00	100.00	1)
Lite-On Technology (Europe) B.V.	Lite-On (Finland) Oy	Manufacture and sale of mobile phone modules and design of assembly lines	100.00	100.00	100.00	1)
Lite-On (Finland) Oy	Lite-On Mobile Oyj	Manufacture and sale of mobile phone modules and design of assembly lines	-	100.00	100.00	1), 6)
LITE-ON CHINA HOLDING CO., LTD.	LITE-ON ELECTRONICS COMPANY LIMITED	Investment activities	100.00	100.00	100.00	-
	YET FOUNDATE LIMITED	Manufacture of plastic and computer peripheral products	100.00	100.00	100.00	1)
	FORDGOOD ELECTRONIC LIMITED	Import and export and real estate	100.00	100.00	100.00	1)
	G&W TECHNOLOGY (BVI) LIMITED	Real estate management	50.00	50.00	50.00	1)
G&W TECHNOLOGY (BVI) LIMITED	G&W TECHNOLOGY LIMITED	Leasing	100.00	100.00	100.00	1)
EAGLE ROCK INVESTMENT LTD.	HUIZHOU LI SHIN ELECTRONIC CO., LTD.	Manufacture of computer peripheral products	100.00	100.00	100.00	1)
HIGH YIELD GROUP CO., LTD.	LITE-ON IT INTERNATIONAL (HK) LIMITED	Sale of optical disc drives	100.00	100.00	100.00	1)
LITE-ON IT INTERNATIONAL (HK) LIMITED	LITEON AUTOMOTIVE ELECTRONICS (GUANGZHOU) CO., LTD.	Manufacture and sale of optical disc drives	100.00	100.00	100.00	1)
	LiteON Auto Electric Technology (Guangzhou) Ltd.	Manufacture and sale of optical disc drives	100.00	100.00	100.00	1), 4)
	LITEON-IT OPTO TECH (BH) CO., LTD.	Manufacture and sale of optical disc drives	100.00	100.00	100.00	1)
Philips & Lite-On Digital Solutions Corporation	PLDS Germany GmbH	Development and sale of modules of automotive recorders	100.00	100.00	100.00	1)
	Philips & Lite-On Digital Solutions USA, Inc.	Sale of optical disc drives	100.00	100.00	100.00	-
	Philips & Lite-On Digital Solutions Korea Ltd.	Sale of optical disc drives	-	100.00	100.00	1), 7)
	Philips & Lite-On Digital Solutions (Shanghai) Co., Ltd.	Sale of optical disc drives	100.00	100.00	100.00	1)

(Continued)

Investor	Investee	Main Business	% of Ownership			Remark
			September 30, 2023	December 31, 2022	September 30, 2022	
Lite-On Automotive International (Cayman) Co., Ltd	LITE-ON AUTOMOTIVE HOLDINGS (HONG KONG) CO., LIMITED	Investment activities	100.00	100.00	100.00	1)
LITE-ON AUTOMOTIVE HOLDINGS (HONG KONG) CO., LIMITED	LITE-ON AUTOMOTIVE (WUXI) CO., LTD	Manufacture, sale and processing of electronic products	-	100.00	100.00	1), 7)
	Lite-On (Guangzhou) Automotive Electronics Limited	Manufacture, sale and processing of electronic products	100.00	100.00	100.00	1)
Lite-On Japan Ltd.	Lite-On Japan (H.K.) Limited	Import and export of electronic components	100.00	100.00	100.00	1)
	LITE-ON JAPAN (Thailand) CO., LTD.	Import and export of electronic components	100.00	100.00	100.00	1)
Lite-On Japan (H.K.) Limited	NL (SHANGHAI) CO., LTD.	Import and export of electronic components	100.00	100.00	100.00	1)
LITE-ON MOBILE PTE. LTD.	GUANGZHOU LITE-ON MOBILE ENGINEERING PLASTICS CO., LTD.	Manufacture and sale of mobile phone modules and design of assembly lines	100.00	100.00	100.00	1)
	BEIJING LITE-ON MOBILE ELECTRONIC AND TELECOMMUNICATION COMPONENTS CO., LTD.	Manufacture and sale of mobile phone modules and design of assembly lines	100.00	100.00	100.00	1)
	LITE-ON MOBILE INDÚSTRIA E COMÉRCIO DE PLÁSTICOS LTDA.	Manufacture and sale of mobile phone modules and design of assembly lines	97.03	97.03	97.03	1)
KBW-LEOTEK Jordan Private Shareholding Limited	LEOTEK, PSC	Production and manufacture of energy-saving lights	60.00	60.00	60.00	1), 9)

(Concluded)

Remark:

- 1) This is an immaterial subsidiary of which its financial statements have not been reviewed by the Company's independent accountants.
 - 2) Merged with LITE-ON ELECTRONICS (GUANGZHOU) LIMITED in 2013 and was under the procedures of statutory merger.
 - 3) Merged with SILITEK ELEC. (GUANGZHOU) CO., LTD. in November 2020 and was under the procedures of statutory merger.
 - 4) Merged with LITEON AUTOMOTIVE ELECTRONICS (GUANGZHOU) CO., LTD. in June 2023 and was under the procedures of statutory merger.
 - 5) Obtained the dissolution and liquidation approval document in November 2022.
 - 6) Liquidated in March 2023.
 - 7) Liquidated in September 2023.
 - 8) Established in August 2023.
 - 9) Resolved to dispose in August 2023. Refer to Note 13 for further information.
- b. Subsidiaries excluded from consolidated financial statements: None.
- c. Other information

The Company's board of directors resolved to establish a subsidiary in Vietnam, LITE-ON Technology Vietnam co., Ltd. (tentative name), on October 19, 2023, with a total amount of US\$120,000 thousand.

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	September 30, 2023	December 31, 2022	September 30, 2022
Associates that are not individually material	\$ 1,792,300	\$ 1,888,176	\$ 1,838,178

Aggregate Information of Associates That Are Not Individually Material

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
The Group's share of:				
Profit for the period	\$ 16,409	\$ 2,948	\$ 14,199	\$ 11,190
Other comprehensive income (loss) for the period	<u>43,353</u>	<u>(34,361)</u>	<u>29,506</u>	<u>2,327</u>
Total comprehensive income (loss) for the period	<u>\$ 59,762</u>	<u>\$ (31,413)</u>	<u>\$ 43,705</u>	<u>\$ 13,517</u>

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

Name of Associate	September 30, 2023	December 31, 2022	September 30, 2022
Silitech Technology Corporation	\$ 460,692	\$ 387,520	\$ 384,593

16. PROPERTY, PLANT AND EQUIPMENT, NET

	Freehold Land	Buildings	Machinery Equipment	Tooling Equipment	Transportation Equipment	Office Equipment	Other Equipment	Total
<u>Cost</u>								
January 1, 2023	\$ 2,813,770	\$ 20,167,085	\$ 27,758,644	\$ 1,453,895	\$ 34,193	\$ 2,168,793	\$ 5,316,436	\$ 59,712,816
Additions	-	48,401	637,422	23,053	1,747	58,657	1,467,151	2,236,431
Disposals	-	(58,567)	(557,989)	(38,606)	(2,592)	(41,442)	(94,231)	(793,427)
Reclassification	-	14,585	265,506	1,296	-	10,643	(336,762)	(44,732)
Effect of foreign currency exchange differences	<u>1,029</u>	<u>60,280</u>	<u>21,747</u>	<u>(1,411)</u>	<u>715</u>	<u>21,508</u>	<u>39,392</u>	<u>143,260</u>
September 30, 2023	<u>\$ 2,814,799</u>	<u>\$ 20,231,784</u>	<u>\$ 28,125,330</u>	<u>\$ 1,438,227</u>	<u>\$ 34,063</u>	<u>\$ 2,218,159</u>	<u>\$ 6,391,986</u>	<u>\$ 61,254,348</u>
<u>Accumulated depreciation</u>								
January 1, 2023	\$ -	\$ 11,161,407	\$ 22,713,881	\$ 1,304,557	\$ 27,052	\$ 1,875,544	\$ 3,050,263	\$ 40,132,704
Additions	-	615,460	1,724,025	64,752	2,753	132,408	210,976	2,750,374
Disposals	-	(54,213)	(518,615)	(38,202)	(2,592)	(41,380)	(90,474)	(745,476)
Reclassification	-	-	(8,962)	-	-	1,439	(16,936)	(24,459)
Effect of foreign currency exchange differences	<u>-</u>	<u>20,939</u>	<u>14,227</u>	<u>(1,031)</u>	<u>359</u>	<u>17,064</u>	<u>18,996</u>	<u>70,554</u>
September 30, 2023	<u>\$ -</u>	<u>\$ 11,743,593</u>	<u>\$ 23,924,556</u>	<u>\$ 1,330,076</u>	<u>\$ 27,572</u>	<u>\$ 1,985,075</u>	<u>\$ 3,172,825</u>	<u>\$ 42,183,697</u>
<u>Accumulated impairment</u>								
January 1, 2023	\$ -	\$ 11,780	\$ 391,008	\$ 5,551	\$ 45	\$ 2,548	\$ 90,502	\$ 501,434
Additions	-	-	591	-	-	-	-	591
Disposals	-	(2,566)	(39,015)	(403)	-	(27)	(3,757)	(45,768)
Effect of foreign currency exchange differences	<u>-</u>	<u>(2)</u>	<u>746</u>	<u>(5)</u>	<u>-</u>	<u>(2)</u>	<u>3,463</u>	<u>4,200</u>
September 30, 2023	<u>\$ -</u>	<u>\$ 9,212</u>	<u>\$ 353,330</u>	<u>\$ 5,143</u>	<u>\$ 45</u>	<u>\$ 2,519</u>	<u>\$ 90,208</u>	<u>\$ 460,457</u>
December 31 2022 and January 1, 2023, net	<u>\$ 2,813,770</u>	<u>\$ 8,993,898</u>	<u>\$ 4,653,755</u>	<u>\$ 143,787</u>	<u>\$ 7,096</u>	<u>\$ 290,701</u>	<u>\$ 2,175,671</u>	<u>\$ 19,078,678</u>
September 30, 2023, net	<u>\$ 2,814,799</u>	<u>\$ 8,478,979</u>	<u>\$ 3,847,444</u>	<u>\$ 103,008</u>	<u>\$ 6,446</u>	<u>\$ 230,565</u>	<u>\$ 3,128,953</u>	<u>\$ 18,610,194</u>

(Continued)

	Freehold Land	Buildings	Machinery Equipment	Tooling Equipment	Transportation Equipment	Office Equipment	Other Equipment	Total
<u>Cost</u>								
January 1, 2022	\$ 2,809,918	\$ 19,546,951	\$ 25,863,863	\$ 1,392,282	\$ 34,802	\$ 2,069,654	\$ 4,765,970	\$ 56,483,440
Additions	-	102,183	1,284,275	53,422	4,089	96,377	1,404,811	2,945,157
Disposals	-	(149,594)	(607,939)	(56,391)	(4,526)	(41,712)	(125,744)	(985,906)
Reclassification	-	151,362	712,143	12,030	2,272	5,415	(889,060)	(5,838)
Effect of foreign currency exchange differences	3,301	531,612	829,666	19,839	1,545	79,935	171,872	1,637,770
September 30, 2022	<u>\$ 2,813,219</u>	<u>\$ 20,182,514</u>	<u>\$ 28,082,008</u>	<u>\$ 1,421,182</u>	<u>\$ 38,182</u>	<u>\$ 2,209,669</u>	<u>\$ 5,327,849</u>	<u>\$ 60,074,623</u>
<u>Accumulated depreciation</u>								
January 1, 2022	\$ -	\$ 10,230,712	\$ 20,894,077	\$ 1,267,984	\$ 27,919	\$ 1,739,836	\$ 2,877,441	\$ 37,037,969
Additions	-	681,383	1,819,005	63,398	3,346	136,089	206,968	2,910,189
Disposals	-	(147,920)	(548,064)	(56,169)	(4,526)	(37,336)	(119,741)	(913,756)
Reclassification	-	-	53	-	40	(53)	(40)	-
Effect of foreign currency exchange differences	-	301,207	675,021	17,442	1,104	59,262	97,891	1,151,927
September 30, 2022	<u>\$ -</u>	<u>\$ 11,065,382</u>	<u>\$ 22,840,092</u>	<u>\$ 1,292,655</u>	<u>\$ 27,883</u>	<u>\$ 1,897,798</u>	<u>\$ 3,062,519</u>	<u>\$ 40,186,329</u>
<u>Accumulated impairment</u>								
January 1, 2022	\$ -	\$ 12,956	\$ 445,347	\$ 5,690	\$ 44	\$ 2,528	\$ 89,319	\$ 555,884
Additions	-	-	1,301	-	-	-	-	1,301
Disposals	-	(1,396)	(56,085)	(222)	-	(18)	(5,875)	(63,596)
Effect of foreign currency exchange differences	-	389	15,373	151	1	71	8,089	24,074
September 30, 2022	<u>\$ -</u>	<u>\$ 11,949</u>	<u>\$ 405,936</u>	<u>\$ 5,619</u>	<u>\$ 45</u>	<u>\$ 2,581</u>	<u>\$ 91,533</u>	<u>\$ 517,663</u>
September 30, 2022, net	<u>\$ 2,813,219</u>	<u>\$ 9,105,183</u>	<u>\$ 4,835,980</u>	<u>\$ 122,908</u>	<u>\$ 10,254</u>	<u>\$ 309,290</u>	<u>\$ 2,173,797</u>	<u>\$ 19,370,631</u>

(Concluded)

Due to the decline in the Group's partial product sales in the markets, the estimated future cash flows generated by relevant machinery used in the production decreased. The Group carried out a review of the recoverable amount and determined that the recoverable amount was lower than the carrying amount. Consequently, the Group recognized impairment losses of \$73 thousand and \$591 thousand for the three months and nine months ended September 30, 2023, respectively. Also, the Group recognized impairment losses of \$819 thousand and \$1,301 thousand for the three months and nine months ended September 30, 2022, respectively. The impairment losses were recognized in other gains and losses of the consolidated statements of comprehensive income.

The Group determined the recoverable amount on the basis of the fair value less the costs of disposal. The fair values used in determining the recoverable amounts were categorized as Level 3 measurements and were measured using the market value method. The key assumption included the estimated disposal values.

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

Buildings	3-55 years
Machinery equipment	2-10 years
Tooling equipment	2-6 years
Transportation equipment	3-10 years
Office equipment	2-20 years
Other equipment	2-30 years

17. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Carrying amounts</u>			
Land (including right to use land)	\$ 792,194	\$ 774,262	\$ 797,023
Buildings	916,265	791,650	881,948
Machinery	42,094	63,511	67,143
Transportation equipment	16,579	12,692	12,771
Other equipment	<u>4,490</u>	<u>6,879</u>	<u>7,717</u>
	<u>\$ 1,771,622</u>	<u>\$ 1,648,994</u>	<u>\$ 1,766,602</u>
	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u> <u>2022</u>
Additions to right-of-use assets	<u>\$ 30,791</u>	<u>\$ 185,556</u>	<u>\$ 474,249</u> <u>\$ 309,650</u>
Depreciation charge for right-of-use assets			
Land (including right to use land)	\$ 8,106	\$ 7,694	\$ 24,298 \$ 22,713
Buildings	109,160	104,735	323,114 287,543
Machinery	6,893	7,135	21,899 21,619
Transportation equipment	2,383	1,859	6,317 6,052
Other equipment	<u>645</u>	<u>1,135</u>	<u>2,382</u> <u>3,400</u>
	<u>\$ 127,187</u>	<u>\$ 122,558</u>	<u>\$ 378,010</u> <u>\$ 341,327</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the nine months ended September 30, 2023 and 2022.

b. Lease liabilities

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Carrying amounts</u>			
Current	<u>\$ 360,829</u>	<u>\$ 359,221</u>	<u>\$ 372,902</u>
Non-current	<u>\$ 816,846</u>	<u>\$ 691,734</u>	<u>\$ 771,720</u>

Range of discount rate for lease liabilities was as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Land (including right to use land)	1.00%-4.30%	1.00%-4.30%	1.79%-4.30%
Buildings	1.00%-9.20%	1.00%-9.20%	1.00%-9.20%
Machinery	1.67%-3.54%	1.10%-3.54%	1.10%-3.54%
Transportation equipment	1.00%-4.08%	1.00%-4.08%	1.10%-4.08%
Other equipment	1.00%-3.35%	1.00%-3.35%	1.00%-3.35%

c. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Expenses relating to short-term leases	<u>\$ 15,492</u>	<u>\$ 29,584</u>	<u>\$ 59,151</u>	<u>\$ 97,263</u>
Expenses relating to low-value asset leases	<u>\$ 2,708</u>	<u>\$ 2,937</u>	<u>\$ 8,627</u>	<u>\$ 8,461</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 33,828</u>	<u>\$ 40,310</u>	<u>\$ 102,016</u>	<u>\$ 115,859</u>
Total cash outflow for leases	<u>\$ 185,379</u>	<u>\$ 199,271</u>	<u>\$ 565,750</u>	<u>\$ 570,688</u>

18. INVESTMENT PROPERTIES, NET

	September 30, 2023	December 31, 2022	September 30, 2022
Completed investment properties	<u>\$ 1,213,243</u>	<u>\$ 1,236,643</u>	<u>\$ 1,261,787</u>

For the nine months ended September 30, 2023 and 2022, there were no significant increases, disposals or impairment of the investment properties held by the Group, but depreciation expenses were recognized for these properties.

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

Buildings	15-50 years
-----------	-------------

As evaluated by the management of the Group, there was no significant change in fair value as of September 30, 2023 and 2022 compared with December 31, 2022 and 2021.

19. INTANGIBLE ASSETS, NET

	Goodwill	Patents	Patents Use Rights	Client Relationships	Software	Other Intangible Assets	Total
<u>Cost</u>							
January 1, 2023	\$ 15,040,431	\$ 92,605	\$ 2,695,878	\$ 163,819	\$ 1,700,997	\$ 1,254,131	\$ 20,947,861
Additions	-	403	500	-	82,550	2,051	85,504
Disposals	-	-	-	-	(21,788)	(21,335)	(43,123)
Reclassification	-	-	-	-	20,357	(84)	20,273
Effect of foreign currency exchange differences	-	46	-	-	10	1,817	1,873
September 30, 2023	<u>\$ 15,040,431</u>	<u>\$ 93,054</u>	<u>\$ 2,696,378</u>	<u>\$ 163,819</u>	<u>\$ 1,782,126</u>	<u>\$ 1,236,580</u>	<u>\$ 21,012,388</u>
<u>Accumulated amortization</u>							
January 1, 2023	\$ 77,234	\$ 60,174	\$ 2,695,878	\$ 163,819	\$ 1,471,806	\$ 1,237,661	\$ 5,706,572
Additions	-	10,243	50	-	109,247	6,961	126,501
Disposals	-	-	-	-	(21,777)	(21,335)	(43,112)
Reclassification	-	-	-	-	84	(84)	-
Effect of foreign currency exchange differences	-	-	-	-	33	1,304	1,337
September 30, 2023	<u>\$ 77,234</u>	<u>\$ 70,417</u>	<u>\$ 2,695,928</u>	<u>\$ 163,819</u>	<u>\$ 1,559,393</u>	<u>\$ 1,224,507</u>	<u>\$ 5,791,298</u>
<u>Accumulated impairment</u>							
January 1, 2023	\$ 11,538,064	\$ -	\$ -	\$ -	\$ 10,704	\$ -	\$ 11,548,768
Disposals	-	-	-	-	(11)	-	(11)
Effect of foreign currency exchange differences	-	-	-	-	(1)	-	(1)
September 30, 2023	<u>\$ 11,538,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,692</u>	<u>\$ -</u>	<u>\$ 11,548,756</u>
December 31, 2022 and January 1, 2023, net	<u>\$ 3,425,133</u>	<u>\$ 32,431</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,487</u>	<u>\$ 16,470</u>	<u>\$ 3,692,521</u>
September 30, 2023, net	<u>\$ 3,425,133</u>	<u>\$ 22,637</u>	<u>\$ 450</u>	<u>\$ -</u>	<u>\$ 212,041</u>	<u>\$ 12,073</u>	<u>\$ 3,672,334</u>
<u>Cost</u>							
January 1, 2022	\$ 15,040,431	\$ 70,399	\$ 2,695,878	\$ 163,819	\$ 1,575,909	\$ 1,313,432	\$ 20,859,868
Additions	-	-	-	-	110,904	4,887	115,791
Disposals	-	-	-	-	(2,997)	(3,819)	(6,816)
Reclassification	-	-	-	-	5,842	(4)	5,838
Effect of foreign currency exchange differences	-	40	-	-	5,593	7,078	12,711
September 30, 2022	<u>\$ 15,040,431</u>	<u>\$ 70,439</u>	<u>\$ 2,695,878</u>	<u>\$ 163,819</u>	<u>\$ 1,695,251</u>	<u>\$ 1,321,574</u>	<u>\$ 20,987,392</u>
<u>Accumulated amortization</u>							
January 1, 2022	\$ 77,234	\$ 53,225	\$ 2,695,878	\$ 163,819	\$ 1,349,284	\$ 1,295,613	\$ 5,635,053
Additions	-	4,755	-	-	102,227	6,382	113,364
Disposals	-	-	-	-	(2,997)	(3,819)	(6,816)
Reclassification	-	-	-	-	4	(4)	-
Effect of foreign currency exchange differences	-	-	-	-	4,003	4,986	8,989
September 30, 2022	<u>\$ 77,234</u>	<u>\$ 57,980</u>	<u>\$ 2,695,878</u>	<u>\$ 163,819</u>	<u>\$ 1,452,521</u>	<u>\$ 1,303,158</u>	<u>\$ 5,750,590</u>
<u>Accumulated impairment</u>							
January 1, 2022	\$ 11,538,064	\$ -	\$ -	\$ -	\$ 11,075	\$ -	\$ 11,549,139
Effect of foreign currency exchange differences	-	-	-	-	32	-	32
September 30, 2022	<u>\$ 11,538,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,107</u>	<u>\$ -</u>	<u>\$ 11,549,171</u>
September 30, 2022, net	<u>\$ 3,425,133</u>	<u>\$ 12,459</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 231,623</u>	<u>\$ 18,416</u>	<u>\$ 3,687,631</u>

- a. The above other intangible assets are depreciated on a straight-line basis over their estimated lives as follows:

Patents	3-6 years
Patent use rights	5-12 years
Client relationships	4 years
Software	2-6 years
Other intangible assets	1-10 years

- b. The amounts of the cash-generating unit used in amortizing the Group's goodwill are listed as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Parent company	\$ 3,369,590	\$ 3,369,590	\$ 3,369,590
Others	<u>55,543</u>	<u>55,543</u>	<u>55,543</u>
	<u>\$ 3,425,133</u>	<u>\$ 3,425,133</u>	<u>\$ 3,425,133</u>

20. OTHER ASSETS

	September 30, 2023	December 31, 2022	September 30, 2022
Prepayments	\$ 1,819,680	\$ 2,125,691	\$ 2,412,060
Offsets against business tax payable	473,960	277,253	380,772
Others	<u>287,629</u>	<u>242,264</u>	<u>283,724</u>
	<u>\$ 2,581,269</u>	<u>\$ 2,645,208</u>	<u>\$ 3,076,556</u>
Current	\$ 2,470,755	\$ 2,537,757	\$ 2,966,646
Non-current	<u>110,514</u>	<u>107,451</u>	<u>109,910</u>
	<u>\$ 2,581,269</u>	<u>\$ 2,645,208</u>	<u>\$ 3,076,556</u>

21. BORROWINGS

- a. Short-term borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>\$ 31,998,940</u>	<u>\$ 32,628,984</u>	<u>\$ 33,900,130</u>

Market interest rates for short-term borrowings were as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Line of credit borrowings	1.53%-7.03%	1.20%-5.40%	0.91%-5.95%

b. Long-term borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
Market interest rates for long-term borrowings were as follows:			
	September 30, 2023	December 31, 2022	September 30, 2022
Line of credit borrowings	1.61%	1.49%	1.36%

22. PROVISIONS

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Current</u>			
Warranties	<u>\$ 1,048,544</u>	<u>\$ 1,125,550</u>	<u>\$ 1,124,499</u>
		For the Nine Months Ended September 30	
		2023	2022
Balance at January 1		\$ 1,125,550	\$ 1,152,812
Recognition of provisions		64,188	80,685
Usage		(103,947)	(124,160)
Reclassified as disposal groups held for sale		(41,994)	-
Effect of foreign currency exchange differences		<u>4,747</u>	<u>15,162</u>
Balance at September 30		<u>\$ 1,048,544</u>	<u>\$ 1,124,499</u>

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under contracts for the sale of goods. The estimate had been made on the basis of historical warranty trends and may vary as a result of the entry of new materials, altered manufacturing processes or other events affecting product quality.

23. RETIREMENT BENEFIT PLANS

Employee benefits expense in respect of the Group's defined retirement benefit plans was \$5,386 thousand and \$5,914 thousand for the three months ended September 30, 2023 and 2022, respectively; employee benefits expense in respect of the Group's defined retirement benefit plans was \$16,198 thousand and \$17,517 thousand for the nine months ended September 30, 2023 and 2022, respectively. Employee benefits expense was calculated using the prior year's actuarially determined pension cost discount rate as of December 31, 2022 and 2021.

24. EQUITY

a. Share capital

Ordinary shares

	September 30, 2023	December 31, 2022	September 30, 2022
Number of shares authorized (in thousands)	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>
Amount of shares authorized	<u>\$ 35,000,000</u>	<u>\$ 35,000,000</u>	<u>\$ 35,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>2,368,352</u>	<u>2,363,083</u>	<u>2,350,867</u>
Amount of shares issued	<u>\$ 23,683,522</u>	<u>\$ 23,630,830</u>	<u>\$ 23,508,670</u>
Amount of shares to be cancelled	<u>\$ (1,064)</u>	<u>\$ -</u>	<u>\$ -</u>

Fully paid ordinary shares, which have a par value of \$10, carry the rights to vote and to dividends.

Of the total number of shares aforementioned, one hundred million shares are reserved to be issued as stock options, preferred shares with stock options or corporate bonds with stock options ready for exercise of options.

On May 20, 2022, the shareholders' meeting of the Company resolved to issue 18,700 thousand new stocks with employee restricted stock awards (RSAs) for employees. The aforementioned issuance of new shares was approved by the Financial Supervisory Commission on July 26, 2022. The Company's board of directors authorized the Chairman to determine the actual issuance date. The Company's Chairman determined that November 15, 2022 and May 19, 2023 to be the record dates of the issuance of new shares and the actual number of shares issued are 12,216 thousand and 6,484 thousand, respectively. Refer to Note 29 for the information on RSAs.

For the nine months ended September 30, 2023, the Group withdrew the issued 859 thousand new stocks with RSAs for employees. Among the aforementioned withdrawal of issued new stocks RSAs for employees, 753 thousand shares were cancelled, the capital reduction has been approved by the Financial Supervisory Commission and the registration procedures were completed. Refer to Note 29 for the information on RSAs.

On February 21, 2023, the board of directors' meeting of the Company approved to cancel 462 thousand treasury stock. The aforementioned cancellation of treasury stock was approved by the Financial Supervisory Commission and the registration procedures were completed. Refer to Note 24(f) for the information on treasury shares.

b. Capital surplus

	September 30, 2023	December 31, 2022	September 30, 2022
From business combinations	\$ 10,013,236	\$ 10,015,194	\$ 10,015,194
Conversion of bonds	7,460,679	7,462,138	7,462,138
Issuance of ordinary shares	3,640,614	3,442,029	3,442,029
Treasury share transactions	1,033,440	944,076	944,076
Changes in equity of associates	102,818	102,793	98,572
Changes in ownership interests in subsidiaries	86,927	86,927	74,497
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	30,549	30,549	30,549
Employee restricted shares	<u>800,526</u>	<u>622,447</u>	<u>744,607</u>
	<u>\$ 23,168,789</u>	<u>\$ 22,706,153</u>	<u>\$ 22,811,662</u>

The premium from shares issued in excess of par (including share premium from issuance of ordinary shares, conversion of bonds, business combinations, treasury share transactions and difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition) 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 capital (limited to a certain percentage of the Company's paid-in capital).

The capital surplus arising from change in ownership interests of subsidiaries, changes in equities of associates and joint ventures accounted for by the equity method may only be used to offset a deficit. And the capital surplus arising from issuing the restricted stocks may not be used for any purpose.

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the Articles, the Company may distribute the surplus earnings or offset losses at the close of each quarter in accordance with the Company Act. While distributing surplus earnings, the Company shall estimate and reserve the taxes and duty to be paid, the losses to be covered, the legal reserve to be set aside, and the special surplus reserve to be raised or revolved. Where such legal reserve amounts reach to the total paid-in capital, this provision shall not apply. If the Company distributes surplus earnings in the form of cash, it shall be approved by a meeting of the board of directors; if such surplus earnings is distributed in the form of new shares to be issued, it shall be approved by the shareholders in their meetings according to the regulations.

If there is net profit after tax upon the final settlement of account of each fiscal year, the Company shall first offset any previous accumulated losses (including unappropriated earnings adjustment if any) and set aside a legal reserve at 10% of the net profits, unless the accumulated legal reserve is equal to the total capital of the Company; then set aside special reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. The remaining net profit, plus the beginning unappropriated earnings (including adjustment of unappropriated earnings if any), shall be distributed into dividends to shareholders according to the distribution plan proposed by the board of directors and submitted to the shareholders' meeting for approval. Where the Company distributes preceding surplus earning, legal reserve and capital reserve in the form of cash, such distribution is authorized by a special resolution of the board of directors; and in addition to a report of such distribution shall be submitted to the shareholders' meeting; if such distribution is in the form of new shares to be issued, it shall be approved by the shareholders in their meetings according to the regulations. For the policies on distribution of compensation of employees and remuneration of directors before and after amendment, refer to Note 26(f) on compensation of employees and remuneration of directors.

In consideration of business development plan, investing environment, demand for funds, global competitiveness and the shareholders' interest, the Dividend Policy of the Company is the distribution to shareholders with the appropriation of the amount which shall be no less than 70% of the balance amount after income tax, contribution of legal reserve and contribution or reversal of special earnings reserve as required by laws, under the circumstance that there is no cumulated loss in prior years. The distribution may be executed in cash dividend and/or share dividend, and the cash dividend shall be no less than 90% of the total distributed dividends. The dividend distribution ratio in the preceding paragraph could be adjusted taking into consideration finance, business and operations, etc.

After the Company considers financial, business, and operational factors, if there are no retained earnings to be appropriated or if the earnings to be appropriated are significantly lower than the prior year's actual appropriation of the earnings, then part of or all of the Company's reserve can be appropriated according to the law or the competent authority.

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.

Additional special reserve should be appropriated for an amount equal to the net debit balance of other equity items. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and is thereafter distributed.

The Company appropriated earnings to a special reserve for the difference between the market price and carrying amount of the Company's shares held by subsidiaries proportional to its holding of those subsidiaries. The special reserve appropriated may be reversed to the extent that the market price reverses.

The 2022 and 2021 interim appropriations were resolved by the Company's board of directors, were as follows:

	Fourth Quarter of 2022	Second Quarter of 2022
Board of directors' meeting	February 21, 2023	July 28, 2022
Legal reserve	<u>\$ 815,530</u>	<u>\$ 606,379</u>
Special reserve	<u>\$ (594,349)</u>	<u>\$ (2,842,437)</u>
Cash dividends	<u>\$ 6,966,279</u>	<u>\$ 3,465,608</u>
Cash dividends per share (NT\$)	\$ 3.0	\$ 1.5
	Fourth Quarter of 2021	Second Quarter of 2021
Board of directors' meeting	February 24, 2022	July 29, 2021
Legal reserve	<u>\$ 560,591</u>	<u>\$ 829,247</u>
Special reserve	<u>\$ 116,770</u>	<u>\$ 117,525</u>
Cash dividends	<u>\$ 5,776,013</u>	<u>\$ 4,700,810</u>
Cash dividends per share (NT\$)	\$ 2.5	\$ 2.0

The 2022 and 2021 appropriations for cash dividends had been resolved by the Company's board of directors; other proposed appropriations had been resolved by the shareholders in their meetings on May 17, 2023 and May 20, 2022, respectively.

The 2023 interim appropriations were resolved by the Company's board of directors, were as follows:

	Second Quarter of 2023
Board of directors' meeting	July 28, 2023
Legal reserve	<u>\$ 662,121</u>
Special reserve	<u>\$ 288,124</u>
Cash dividends	<u>\$ 4,656,704</u>
Cash dividends per share (NT\$)	<u>\$ 2.0</u>

d. Other equity items

Movements in other equity items were as follows:

	For the Nine Months Ended September 30, 2023				
	Foreign Currency Translation Reserve	Unrealized Loss from Financial Assets at FVTOCI	Unearned Employees' Compensation	Equity Directly Associated with Disposal Groups Held for Sale	Total
Balance at January 1	\$ (2,315,737)	\$ (304,465)	\$ (623,682)	\$ -	\$ (3,243,884)
Exchange differences on translating foreign operations	2,857,043	-	-	-	2,857,043
Unrealized gain on equity instruments designated as at FVTOCI	-	85,428	-	-	85,428
Share of associates accounted for using the equity method	32,379	(1,098)	-	-	31,281
Disposal of interests in associates accounted for using the equity method and subsidiaries	53,994	-	-	-	53,994
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	-	(67,868)	-	-	(67,868)
Reclassified as equity associated with disposal groups held for sale	112,482	-	-	(112,482)	-
Grant of employee restricted stocks in current period	-	-	(424,802)	-	(424,802)
Recognition of share-based payment expense	-	-	432,504	-	432,504
Adjustment of employee turnover rates	-	-	(8,782)	-	(8,782)
Income tax expense	<u>(569,386)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(569,386)</u>
Balance at September 30	<u>\$ 170,775</u>	<u>\$ (288,003)</u>	<u>\$ (624,762)</u>	<u>\$ (112,482)</u>	<u>\$ (854,472)</u>

	For the Nine Months Ended September 30, 2022			
	Foreign Currency Translation Reserve	Unrealized Loss from Financial Assets at FVTOCI	Unearned Employees' Compensation	Total
Balance at January 1	\$ (5,820,080)	\$ (236,908)	\$ -	\$ (6,056,988)
Exchange differences on translating foreign operations	6,418,599	-	-	6,418,599
Unrealized loss on equity instruments designated as at FVTOCI	-	(124,031)	-	(124,031)
Share of associates accounted for using the equity method	5,118	(77)	-	5,041
Grant of employee restricted stocks in current period	-	-	(744,607)	(744,607)
Recognition of share-based payment expense	-	-	12,093	12,093
Income tax expense	<u>(1,282,036)</u>	<u>-</u>	<u>-</u>	<u>(1,282,036)</u>
Balance at September 30	<u>\$ (678,399)</u>	<u>\$ (361,016)</u>	<u>\$ (732,514)</u>	<u>\$ (1,771,929)</u>

e. Non-controlling interests

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 631,122	\$ 532,459
Attributable to non-controlling interests:		
Share of net profit for the period	30,150	30,061
Exchange differences on translating foreign operations	32,404	47,416
Disposal of interests in subsidiaries	4,314	-
Changes in non-controlling interests	<u>(26,686)</u>	<u>7,419</u>
Balance at September 30	<u>\$ 671,304</u>	<u>\$ 617,355</u>

f. Treasury shares

Unit: In Thousands of Shares				
Purpose of Buy Back	Number of Shares at January 1	Increase During the Period	Decrease During the Period	Number of Shares at September 30
For the nine months ended September 30, 2023				
Shares held by subsidiaries	22,120	-	-	22,120
Buyback of dissenting shareholders' shares in accordance with the Business Mergers and Acquisitions Act	462	-	(462)	-
Transfer shares to employees	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
	<u>62,582</u>	<u>-</u>	<u>(462)</u>	<u>62,120</u>

(Continued)

Purpose of Buy Back	Number of Shares at January 1	Increase During the Period	Decrease During the Period	Number of Shares at September 30
<u>For the nine months ended September 30, 2022</u>				
Shares held by subsidiaries	26,841	-	(4,721)	22,120
Buyback of dissenting shareholders' shares in accordance with the Business Mergers and Acquisitions Act	462	-	-	462
Transfer shares to employees	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
	<u>67,303</u>	<u>-</u>	<u>(4,721)</u>	<u>62,582</u> (Concluded)

The Company's shares held by its subsidiaries at the end of the reporting periods were as follows:

Name of Subsidiary	Number of Shares Held (In Thousands)	Carrying Amount	Market Price
<u>September 30, 2023</u>			
Lite-On Capital Corporation	15,116	\$ 718,857	\$ 1,836,578
TITANIC CAPITAL SERVICES LTD.	7,004	<u>297,469</u>	<u>851,013</u>
		<u>\$ 1,016,326</u>	<u>\$ 2,687,591</u>
<u>December 31, 2022</u>			
Lite-On Capital Corporation	15,116	\$ 718,857	\$ 964,392
TITANIC CAPITAL SERVICES LTD.	7,004	<u>297,469</u>	<u>446,869</u>
		<u>\$ 1,016,326</u>	<u>\$ 1,411,261</u>
<u>September 30, 2022</u>			
Lite-On Capital Corporation	15,116	\$ 718,857	\$ 964,392
TITANIC CAPITAL SERVICES LTD.	7,004	<u>297,469</u>	<u>446,869</u>
		<u>\$ 1,016,326</u>	<u>\$ 1,411,261</u>

In September 2022, YET FOUNDATE LIMITED and LITE-ON ELECTRONICS COMPANY LIMITED sold 2,271 thousand shares and 2,450 thousand shares of the Company in amounts of \$153,879 thousand and \$166,532 thousand, respectively.

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, retain shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

25. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Revenue from contracts with customers				
Revenue from the sale of goods	\$ 39,930,454	\$ 46,142,358	\$ 111,339,743	\$ 130,267,955
Rental income from property	<u>26,770</u>	<u>31,961</u>	<u>84,681</u>	<u>93,617</u>
	<u>\$ 39,957,224</u>	<u>\$ 46,174,319</u>	<u>\$ 111,424,424</u>	<u>\$ 130,361,572</u>

a. Contract balances

	September 30, 2023	December 31, 2022	September 30, 2022	January 1, 2022
Accounts receivable (Note 11)	<u>\$ 36,663,038</u>	<u>\$ 38,127,682</u>	<u>\$ 44,518,919</u>	<u>\$ 41,245,921</u>
Contract assets - current				
Sales of goods	<u>\$ 241,551</u>	<u>\$ 484,791</u>	<u>\$ 594,295</u>	<u>\$ 654,423</u>
Contract liabilities - current				
Sales of goods	<u>\$ 90,182</u>	<u>\$ 79,782</u>	<u>\$ 2,731</u>	<u>\$ 98</u>

The Group measures the loss allowance for contract assets at an amount equal to lifetime ECLs. The expected credit loss during the lifetime ECLs is calculated by taking into account the past default experience of the customer, the customer's current financial position, possible recoverable amounts, and the forward-looking factors.

	September 30, 2023	December 31, 2022	September 30, 2022
Gross carrying amount	\$ 254,326	\$ 1,321,763	\$ 1,546,107
Allowance for impairment loss (Lifetime ECLs)	<u>(12,775)</u>	<u>(836,972)</u>	<u>(951,812)</u>
	<u>\$ 241,551</u>	<u>\$ 484,791</u>	<u>\$ 594,295</u>

The movements of the loss allowance of contract assets were as follows:

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 836,972	\$ 984,873
Add: Net remeasurement of loss allowance	2,226	7,764
Less: Transfer to disposal groups held for sale	(630,924)	-
Less: Transfer to loss allowance for trade receivables	(228,235)	(177,176)
Foreign exchange gains and losses	<u>32,736</u>	<u>136,351</u>
Balance at September 30	<u>\$ 12,775</u>	<u>\$ 951,812</u>

The Group recognized revenue from the beginning balance of contract liability, which amounted to \$36,771 thousand and \$98 thousand for the nine months ended September 30, 2023 and 2022, respectively.

b. Disaggregation of revenue

Refer to Note 37 for segment revenue information.

26. NET PROFIT

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
a. Other income				
Dividend income	\$ -	\$ 3,271	\$ 2,127	\$ 6,985
Other income	<u>168,934</u>	<u>174,730</u>	<u>662,714</u>	<u>480,083</u>
	<u>\$ 168,934</u>	<u>\$ 178,001</u>	<u>\$ 664,841</u>	<u>\$ 487,068</u>
b. Other gains and losses				
Net gain on financial assets at fair value through profit or loss	\$ 1,966,613	\$ 2,303,961	\$ 3,041,780	\$ 3,311,531
Net loss on foreign currency exchange	(1,160,812)	(1,596,034)	(1,287,538)	(2,688,381)
Net gain (loss) on disposal of property, plant and equipment	(509)	2,325	3,980	14,106
Loss on disposal of associates	(9,897)	-	(9,897)	-
Other losses	(170,123)	(66,305)	(423,184)	(206,280)
Impairment loss	<u>(73)</u>	<u>(819)</u>	<u>(591)</u>	<u>(1,301)</u>
	<u>\$ 625,199</u>	<u>\$ 643,128</u>	<u>\$ 1,324,550</u>	<u>\$ 429,675</u>
c. Finance costs				
Interest on borrowings	\$ 394,070	\$ 214,365	\$ 1,091,000	\$ 391,101
Interest on lease liabilities	<u>8,187</u>	<u>6,395</u>	<u>24,166</u>	<u>19,324</u>
	<u>\$ 402,257</u>	<u>\$ 220,760</u>	<u>\$ 1,115,166</u>	<u>\$ 410,425</u>
d. Depreciation and amortization				
Property, plant and equipment	\$ 900,243	\$ 979,718	\$ 2,750,374	\$ 2,910,189
Right-of-use assets	127,187	122,558	378,010	341,327
Intangible assets	43,113	40,553	126,501	113,364
Investment properties	<u>7,255</u>	<u>7,731</u>	<u>21,926</u>	<u>23,136</u>
	<u>\$ 1,077,798</u>	<u>\$ 1,150,560</u>	<u>\$ 3,276,811</u>	<u>\$ 3,388,016</u>

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
An analysis of depreciation by function				
Recognized in operating costs	\$ 715,247	\$ 810,569	\$ 2,213,702	\$ 2,424,146
Recognized in operating expenses	<u>319,438</u>	<u>299,438</u>	<u>936,608</u>	<u>850,506</u>
	<u>\$ 1,034,685</u>	<u>\$ 1,110,007</u>	<u>\$ 3,150,310</u>	<u>\$ 3,274,652</u>
An analysis of amortization by function				
Recognized in operating costs	\$ 3,972	\$ 3,807	\$ 10,837	\$ 11,618
Recognized in operating expenses	<u>39,141</u>	<u>36,746</u>	<u>115,664</u>	<u>101,746</u>
	<u>\$ 43,113</u>	<u>\$ 40,553</u>	<u>\$ 126,501</u>	<u>\$ 113,364</u>
e. Employee benefits expense				
Post-employment benefits				
Defined contribution plans	\$ 137,099	\$ 138,448	\$ 413,725	\$ 424,497
Defined benefit plans (Note 23)	<u>5,386</u>	<u>5,914</u>	<u>16,198</u>	<u>17,517</u>
	142,485	144,362	429,923	442,014
Share-based payment - equity-settled	177,614	12,093	432,504	12,093
Termination benefits	88,159	60,339	145,480	135,507
Other employee benefits	<u>5,249,967</u>	<u>5,558,287</u>	<u>14,806,685</u>	<u>16,118,880</u>
	<u>\$ 5,658,225</u>	<u>\$ 5,775,081</u>	<u>\$ 15,814,592</u>	<u>\$ 16,708,494</u>
Employee benefits expense summarized by function				
Recognized in operating costs	\$ 2,812,947	\$ 3,137,816	\$ 8,033,675	\$ 9,465,481
Recognized in operating expenses	<u>2,845,278</u>	<u>2,637,265</u>	<u>7,780,917</u>	<u>7,243,013</u>
	<u>\$ 5,658,225</u>	<u>\$ 5,775,081</u>	<u>\$ 15,814,592</u>	<u>\$ 16,708,494</u>

(Concluded)

f. Compensation of employees and remuneration of directors

In compliance with the Articles, the Company accrues compensation of employees and remuneration of directors at rates of no less than 1% and no higher than 1.5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. For the three months and nine months ended September 30, 2023 and 2022, the compensation of employees and the remuneration of directors were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Employees' compensation	<u>\$ 620,304</u>	<u>\$ 577,033</u>	<u>\$ 1,512,175</u>	<u>\$ 1,402,315</u>
Remuneration of directors	<u>\$ 63,352</u>	<u>\$ 58,933</u>	<u>\$ 154,440</u>	<u>\$ 143,220</u>

If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate and will be adjusted in the next year.

The appropriations of compensation of employees and remuneration of directors for 2022 and 2021, which were approved by the Company's board of directors on February 21, 2023 and February 24, 2022, respectively, were as follows:

	For the Year Ended December 31			
	2022		2021	
	Cash Dividends	Share Dividends	Cash Dividends	Share Dividends
Employees' compensation	\$ 1,925,953	\$ -	\$ 1,909,002	\$ -
Remuneration of directors	196,699	-	173,980	-

There was no difference between the approved amounts of the compensation of employees and the remuneration of directors and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

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.

27. INCOME TAX

a. Income tax recognized in profit or loss

Major components of tax expense (benefit) were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Current tax expense	\$ 1,183,822	\$ 1,042,288	\$ 2,901,910	\$ 1,992,935
Deferred tax expense	<u>(6,252)</u>	<u>54,089</u>	<u>(29,095)</u>	<u>671,705</u>
Income tax expense recognized in profit or loss	<u>\$ 1,177,570</u>	<u>\$ 1,096,377</u>	<u>\$ 2,872,815</u>	<u>\$ 2,664,640</u>

b. Income tax expense (benefit) recognized in other comprehensive income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
<u>Deferred tax</u>				
In respect of the current period:				
Translation of foreign operations	<u>\$ 678,216</u>	<u>\$ 580,845</u>	<u>\$ 569,386</u>	<u>\$ 1,282,036</u>

c. Income tax assessments

The tax returns of the Company through 2020 have been assessed by the tax authorities.

28. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Basic earnings per share	<u>\$ 1.99</u>	<u>\$ 1.86</u>	<u>\$ 4.86</u>	<u>\$ 4.51</u>
Diluted earnings per share	<u>\$ 1.97</u>	<u>\$ 1.84</u>	<u>\$ 4.80</u>	<u>\$ 4.46</u>

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 Period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Net profit attributable to the Company	<u>\$ 4,557,708</u>	<u>\$ 4,239,775</u>	<u>\$ 11,110,767</u>	<u>\$ 10,303,564</u>

Weighted Average Number of Ordinary Shares Outstanding

	Unit: In Thousands of Shares			
	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2023	2022	2023	2022
Weighted average number of ordinary shares outstanding used in computation of basic earnings per share	2,288,704	2,284,546	2,288,425	2,283,895
Effect of potentially dilutive ordinary shares:				
Compensation of employees	12,446	21,980	17,557	28,237
Employee restricted shares	<u>9,397</u>	<u>-</u>	<u>6,685</u>	<u>-</u>
Weighted average number of ordinary shares outstanding used in computation of dilutive earnings per share	<u>2,310,547</u>	<u>2,306,526</u>	<u>2,312,667</u>	<u>2,312,132</u>

The Company may settle the bonuses or remuneration paid to employees in cash or shares; therefore, the Company presumes that the entire amount of the bonuses or remuneration will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

29. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Restricted Stock Awards (RSAs)

The issuance of RSAs for 2022 (2022 RSAs) of no more than 18,700 thousand common shares has been approved by the Company's shareholders in their meeting held on May 20, 2022. The grants will be made free of charge. The Company's board of directors approved the issuance of RSAs of 12,216 thousand shares and 6,484 thousand shares on September 20, 2022 and April 27, 2023, respectively. The Company's board of directors authorized the Chairman to determine that November 15, 2022 and May 19, 2023 to be the record dates of the issuance of new shares, respectively.

a. Vesting conditions of the aforementioned arrangement are as follows:

- 1) If an employee, after having been granted a restricted stock award, who remains on the job on the vesting date, is determined by the Company as having not violated the employment contract, employee handbook, non-competition and non-disclosure agreement of the Company or any other agreement with the Company, and has fulfilled the individual performance goals and the Company's operational goals set by the Company, proportions of the vesting shares to be granted for such employee on the vesting date each year is as follows:
 - a) First anniversary of the grant: 30%.
 - b) Second anniversary of the grant: 30%.
 - c) Third anniversary of the grant: 40%.

- 2) Employee's year-end performance rating shall be PL3 rating (Note: PL3 represents "Meets Expectations") and above.
 - 3) The Company's operational goals are either one of the follows:
 - a) The consolidated gross margin of the year (e.g., Year 1) prior to the end of the vesting period shall be equal to or higher than the consolidated gross margin of the previous year (e.g., Year 0), and the amount of consolidated operating profit (in Year 1) must increase by minimum 10% compared with that in the previous year (Year 0).
 - b) The consolidated gross margin and operating margin for the year prior to the end of the vesting period are equal to or higher than 20% and 10%, respectively.
- b. Restrictions applicable prior to vesting:
- 1) Recipient shall have no right to sell, transfer (other than by laws of inheritance), pledge, mortgage, hypothecate, gift or otherwise dispose of the Shares prior to such Shares being fully vested.
 - 2) Unvested Shares shall have the same rights to attend the Company's shareholders' meeting, submit proposals, or speak and vote at the meeting as those attached to other issued shares of the Company's common stock. However, the exercise of such rights shall be performed in accordance with the trust agreement.
 - 3) Unvested Shares shall have the same rights to receive cash, stock dividends and distributions from capital reserve, as well as the same share subscription rights as those attached to other issued shares of the Company's common stock. However, with respect to unvested Shares, the Recipients shall have no right to withdraw the cash and stock dividends received on such Shares; such dividends shall be kept in trust in accordance with the trust agreement.
- c. Failure to meet vesting conditions:
- 1) If either (i) the Recipient has ceased their employment as of the Vesting Date, (ii) the Recipient has violated any provisions of the employment contract, work rules, non-competition, non-disclosure and/or any other agreement entered into with the Company/Affiliate, (iii) the individual and/or company-level performance requirements have not been met; or (iv) the Recipient has, in violation of subparagraph 1, paragraph 8, Article 5 of "The Issuance Rules of 2022 Employee Restricted Stock Awards Plan", demanded modification, revocation, termination, suspension or cancelation of the authorization granted to the Company as related to the trust/custody account, the Company shall have the power to repurchase for no consideration and cancel any Shares that have not vested pursuant to this Article.
 - 2) The Company shall also repurchase for no consideration and cancel any unvested Shares in the event of voluntary or involuntary termination of the Recipient's employment.

Details of granted 2022 RSAs are as follows:

	Number of Stocks (In Thousands)		
	For the Nine Months Ended September 30, 2023		
	Approval Date	Approval Date	
	September 20, 2022	April 27, 2023	Total
Balance, beginning of period	12,216	-	12,216
Issuance of stocks	-	6,484	6,484
Withdrawal (expired amount) (Note)	(859)	-	(859)
Remove notation of restriction	<u>(3,427)</u>	<u>-</u>	<u>(3,427)</u>
Balance, end of period	<u>7,930</u>	<u>6,484</u>	<u>14,414</u>
Weighted-average fair value of RSAs granted (in dollars)	\$ 67.73	\$ 72.80	

Note: Capital reduction of 106,000 shares has not been processed.

The RSAs is measured at fair value at grant date using market value method. The fair value is based on the market value per share at grant date, minus the discounted value of dividends received derived from average dividend yield over the past three years.

Refer to Note 26 for the employee compensation costs of the RSAs recognized by the Company.

30. 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 capital management system aims to ensure that the necessary financial resources and operating plan are sufficient to meet the next 12 months' requirements for working capital, capital expenditures, research and development expenses, debt repayment, dividend payments and other needs.

31. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

For certain financial instruments that are not measured at fair value but measured at amortized cost - including notes receivable, trade receivables including related parties, other receivables including related parties, refundable deposits, financial assets at amortized cost, short-term borrowings, notes payable, trade payables including related parties, other payables including related parties, long-term borrowings and guarantee deposits. The Group's management considers the carrying amounts of these financial instruments recognized in the consolidated financial statements as approximating their fair values.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

September 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	\$ -	\$ 2,176,672	\$ -	\$ 2,176,672
Mutual funds	-	743,888	-	743,888
Foreign listed shares	36,018	-	-	36,018
Domestic listed shares	9,855	-	-	9,855
Structured deposits	-	2,091,630	-	2,091,630
Foreign convertible preferred stocks	-	-	305,001	305,001
	<u>\$ 45,873</u>	<u>\$ 5,012,190</u>	<u>\$ 305,001</u>	<u>\$ 5,363,064</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Foreign unlisted shares	\$ -	\$ -	\$ 1,293,496	\$ 1,293,496
Domestic listed shares and emerging market shares	268,346	-	-	268,346
Domestic innovation board listed shares	-	431,943	-	431,943
Domestic unlisted shares	-	-	77,358	77,358
	<u>\$ 268,346</u>	<u>\$ 431,943</u>	<u>\$ 1,370,854</u>	<u>\$ 2,071,143</u>
Financial liabilities at FVTPL				
Derivative instruments	<u>\$ -</u>	<u>\$ 14,704</u>	<u>\$ -</u>	<u>\$ 14,704</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	\$ -	\$ 2,799,938	\$ -	\$ 2,799,938
Mutual funds	-	597,647	-	597,647
Foreign listed shares	556,171	-	-	556,171
Domestic listed shares	10,045	-	-	10,045
Foreign convertible preferred stocks	-	-	298,805	298,805
	<u>\$ 566,216</u>	<u>\$ 3,397,585</u>	<u>\$ 298,805</u>	<u>\$ 4,262,606</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Foreign unlisted shares	\$ -	\$ -	\$ 1,231,079	\$ 1,231,079
Domestic listed shares and emerging market shares	309,030	-	-	309,030
Domestic innovation board listed shares	-	421,780	-	421,780
Domestic unlisted shares	-	-	23,435	23,435
	<u>\$ 309,030</u>	<u>\$ 421,780</u>	<u>\$ 1,254,514</u>	<u>\$ 1,985,324</u>
Financial liabilities at FVTPL				
Derivative instruments	<u>\$ -</u>	<u>\$ 253,441</u>	<u>\$ -</u>	<u>\$ 253,441</u> (Concluded)

September 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	\$ -	\$ 4,726,796	\$ -	\$ 4,726,796
Mutual funds	-	594,636	-	594,636
Foreign listed shares	692,645	-	-	692,645
Domestic listed shares	9,305	-	-	9,305
Structured deposits	-	11,404,962	-	11,404,962
Foreign convertible preferred stocks	-	-	295,381	295,381
Foreign convertible bond	-	-	15,850	15,850
	<u>\$ 701,950</u>	<u>\$ 16,726,394</u>	<u>\$ 311,231</u>	<u>\$ 17,739,575</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Foreign unlisted shares	\$ -	\$ -	\$ 1,272,423	\$ 1,272,423
Domestic listed shares and emerging market shares	304,199	-	-	304,199
Domestic innovation board listed shares	-	377,315	-	377,315
Domestic unlisted shares	-	-	16,133	16,133
	<u>\$ 304,199</u>	<u>\$ 377,315</u>	<u>\$ 1,288,556</u>	<u>\$ 1,970,070</u>
Financial liabilities at FVTPL				
Derivative instruments	<u>\$ -</u>	<u>\$ 857,799</u>	<u>\$ -</u>	<u>\$ 857,799</u>

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

There were transfers between Levels 3 and 2 for the nine months ended December 31, 2022. The investment in an equity instrument held by the Group was originally an investment in foreign unlisted shares, classified as financial assets at fair value through other comprehensive income and evaluated by the market approach. This investee has become an Taiwan Innovation Board listed company since August 2022. Taiwan innovation board launched in the third quarter of 2021 by the Taiwan Stock Exchange Corporation, which has restrictions on the eligibility of traders. It is not always available to find buyers and sellers in the market so it has no active-market-quoted price. As a result, the Group measured it at Level 2 fair value.

2) Reconciliation of Level 3 fair value measurements of financial instruments

The financial assets measured at Level 3 fair value were financial assets at FVTPL and equity investments classified as financial assets at FVTOCI. Reconciliations for the nine months ended September 30, 2023 and 2022 were as follows:

	For the Nine Months Ended September 30	
	2023	2022
Balance, beginning of period	\$ 1,553,319	\$ 1,826,985
Total gains or losses		
Recognized in income	6,196	16,980
Recognized in other comprehensive income	69,232	181,152
Addition	47,108	42,485
Disposal	-	-
Reclassified to Level 2	-	(467,815)
Balance, end of period	<u>\$ 1,675,855</u>	<u>\$ 1,599,787</u>

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

Financial Instruments	Valuation Techniques and Inputs
Derivative instruments - forward exchange contracts	Estimation of future cash flows using 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.
Derivative instruments - currency swaps	Estimation of fair value of a currency swap is based on its principal and interest rate on mutual agreement and the suitable discount rate that reflects the credit risk of various counterparties at the end of the reporting period.
Mutual funds	Obtain the financial information of underlying assets, evaluate its market value, analyze the amount to be adjusted, and consider minority interest and liquidity reduction.
Structured deposits	The fair value is measured based on the amount provided by the counterparty.
Domestic innovation board listed shares	Obtain the market price of the investee's shares listed on Taiwan Innovation Board at the end of the reporting period and derive from analyzing other observable parameters.

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

Level 3 fair value is measured by using asset-based approach and comparable company method of market approach. The asset-based approach assesses the fair value by calculating the value of net asset. The comparable company method of market approach is based on the profitability at the reporting period to select the market multiplier of comparable companies. The valuation method is chosen by the Group after deliberate assessment. Therefore, the fair value measurement is deemed to reasonable. However, the adoption of different valuation models or fair value may lead to different valuation results.

c. Categories of financial instruments

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 5,363,064	\$ 4,262,606	\$ 17,739,575
Financial assets at amortized cost (1)	134,043,494	132,199,472	117,185,770
Investment in equity instruments at FVTOCI	2,071,143	1,985,324	1,970,070
<u>Financial liabilities</u>			
FVTPL			
Held for trading	14,704	253,441	857,799
Amortized cost			
Short-term borrowings	31,998,940	32,628,984	33,900,130
Payables (2)	64,538,311	67,658,064	69,687,205
Long-term borrowings	3,000,000	3,000,000	3,000,000

- 1) The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, debt instruments measured at amortized cost, notes receivable, trade receivables, trade receivables from related parties, other receivables, other receivables from related parties and refundable deposits.
- 2) The balances included financial liabilities measured at amortized cost, which comprise notes payable, trade payables, trade payables to related parties, other payables, other payables to related parties and guarantee deposits.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, trade receivables, trade payables, borrowings and lease liabilities. 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 which analyze exposures by degree and magnitude of risks. These risks include market risk (comprising 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 financial derivatives 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 guidelines 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.

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 a variety of derivative financial instruments to manage its exposure to foreign currency risk, including forward exchange contracts and currency swaps to hedge the exchange rate risk arising from exports.

There was 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 sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing forward exchange contracts and currency swaps. It is within the Group's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximize hedge effectiveness.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 35.

The Group required all its entities to use forward exchange contracts and currency swaps to eliminate currency exposure. It is within the Group's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximize hedge effectiveness.

Sensitivity analysis

The Group was mainly exposed to the U.S. dollar.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollars (functional currency) against the U.S. dollar. The sensitivity analysis included only outstanding foreign currency denominated monetary items. A positive number below indicates an increase in pre-tax profit due to a 5% weakening of the U.S. dollar against the New Taiwan dollars. For a 5% strengthening of the U.S. dollar against the New Taiwan dollars, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	USD Impact	
	For the Nine Months Ended	
	September 30	
	2023	2022
Profit or loss	\$ 1,140,232	\$ 966,275

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 portfolio of fixed and floating rate borrowings.

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

	September 30, 2023	December 31, 2022	September 30, 2022
Fair value interest rate risk			
Financial assets (i)	\$ 63,877,051	\$ 56,984,806	\$ 44,556,514
Financial liabilities (ii)	33,176,615	31,679,939	35,044,752
Cash flow interest rate risk			
Financial assets (iii)	32,805,763	33,469,753	36,947,423
Financial liabilities (iv)	3,000,000	5,000,000	3,000,000

- i. The balances included time deposits with fixed interest rates and financial assets at amortized cost.
- ii. The balances included financial liabilities exposed to fair value risk from interest rate fluctuation.
- iii. The balances included demand deposits, time deposits with floating interest rates structured deposits and financial assets at amortized cost.
- iv. The balance included financial liabilities exposed to cash flow risk from interest rate fluctuation.

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming that the amount of the liability outstanding at the end of the reporting period was outstanding for the whole reporting period.

If interest rates had been 25 basis points higher and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2023 and 2022 would have increased by \$55,886 thousand and \$63,651 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities. Equity investments are held for strategic rather than for trading purposes. The Group does not actively trade these investments.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 10% higher, the profit before income tax for the nine months ended September 30, 2023 and 2022 would have increased by \$4,587 thousand and \$70,195 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL. The pre-tax other comprehensive income for the nine months ended September 30, 2023 and 2022 would have increased by \$26,835 thousand and increased \$30,420 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from trade receivables, deposits, and other financial instruments. Credit risk on business-related exposures is managed separately from that on financial-related exposures.

a) Business related credit risk

To maintain the quality of receivables, the Group has established operating procedures to manage credit risk.

For individual customers, risk factors considered include the customer's financial position, credit rating agency rating, the Group's internal credit rating, and transaction history as well as current economic conditions that may affect the customer's ability to pay. The Group also has the right to use some credit protection enhancement tools, such as requiring advance payments, to reduce the credit risks involving certain customers.

b) Financial related credit risk

Bank deposits and other financial instruments are credit risk sources required by the Group's finance department to be measured and monitored. However, since the Group's counterparties are all reputable financial institutions and government agencies, there is no significant financial credit risk.

3) Liquidity risk

The objective of liquidity risk management is to maintain sufficient cash and cash equivalents for operating needs in order to ensure that the Group has sufficient financial flexibility.

The table below summarizes the maturity profile of the Group's non-derivative financial liabilities based on contractual undiscounted payments:

September 30, 2023

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	-	\$ 64,409,704	\$ 128,607	\$ -	\$ -
Lease liabilities	1.00%-9.20%	431,744	466,812	222,080	146,676
Floating interest rate liabilities	1.61%	48,300	3,044,992	-	-
Fixed interest rate liabilities	1.53%-7.03%	32,141,801	-	-	-
		<u>\$ 97,031,549</u>	<u>\$ 3,640,411</u>	<u>\$ 222,080</u>	<u>\$ 146,676</u>

December 31, 2022

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	-	\$ 67,549,109	\$ 108,955	\$ -	\$ -
Lease liabilities	1.00%-9.20%	433,653	432,519	156,445	110,331
Floating interest rate liabilities	1.49%-1.65%	2,001,745	3,119,370	-	-
Fixed interest rate liabilities	1.20%-5.40%	30,728,961	-	-	-
		<u>\$ 100,713,468</u>	<u>\$ 3,660,844</u>	<u>\$ 156,445</u>	<u>\$ 110,331</u>

September 30, 2022

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	-	\$ 69,537,371	\$ 149,834	\$ -	\$ -
Lease liabilities	1.00%-9.20%	439,116	491,337	184,378	119,221
Floating interest rate liabilities	1.36%	-	3,119,605	-	-
Fixed interest rate liabilities	0.91%-5.95%	33,989,170	-	-	-
		<u>\$ 103,965,657</u>	<u>\$ 3,760,776</u>	<u>\$ 184,378</u>	<u>\$ 119,221</u>

The table below summarizes the maturity profile of the Group's derivative financial instruments based on contractual undiscounted payments.

September 30, 2023

	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
Forward exchange contracts				
Inflows	\$ 35,248,763	\$ -	\$ -	\$ -
Outflows	<u>(32,631,327)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,617,436</u>	<u>-</u>	<u>-</u>	<u>-</u>
Currency swaps				
Inflows	1,602,700	-	-	-
Outflows	<u>(1,605,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(2,300)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,615,136</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2022

	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
Forward exchange contracts				
Inflows	\$ 54,733,318	\$ -	\$ -	\$ -
Outflows	<u>(52,130,410)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,602,908</u>	<u>-</u>	<u>-</u>	<u>-</u>
Currency swaps				
Inflows	22,443,472	-	-	-
Outflows	<u>(22,432,400)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>11,072</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,613,980</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

September 30, 2022

	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
Forward exchange contracts				
Inflows	\$ 56,708,567	\$ -	\$ -	\$ -
Outflows	<u>(51,553,424)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>5,155,143</u>	<u>-</u>	<u>-</u>	<u>-</u>
Currency swaps				
Inflows	25,620,119	-	-	-
Outflows	<u>(25,736,630)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(116,511)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,038,632</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

32. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Group and its subsidiaries, which were related parties of the Group, had been eliminated upon consolidation and are not disclosed in this note. Besides as disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related parties and relationships

Related Parties	Relationships with the Group
L&K Industries Philippines, Inc.	Associate (non-related party since end of December 2022)
Silitech Technology Corporation	Associate
DragonJet Corporation	Associate
Silport Technology Corp.	Related party in substance
Lite-On Cultural Foundation	Related party in substance

b. Sales of goods

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Associate	\$ -	\$ 6,696	\$ -	\$ 24,418
Related party in substance	<u>101</u>	<u>101</u>	<u>301</u>	<u>378</u>
	<u>\$ 101</u>	<u>\$ 6,797</u>	<u>\$ 301</u>	<u>\$ 24,796</u>

The sales terms between the Group and its related parties were not significantly different as those between the Group and non-related parties.

Lease contracts with related parties were based on market prices and made under mutual agreements and normal terms. The market prices and contract terms between the Group and its related parties were not significantly different as those between the Group and non-related parties.

c. Purchases of goods

Related Parties Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Associate	<u>\$ 36</u>	<u>\$ 25,188</u>	<u>\$ 1,242</u>	<u>\$ 25,862</u>

The purchase terms between the Group and its related parties were not significantly different as those between the Group and non-related parties.

d. Receivables from related parties

Related Parties Category	September 30, 2023	December 31, 2022	September 30, 2022
Trade receivables			
Associate	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,726</u>
Other receivables			
Associate	<u>\$ -</u>	<u>\$ 17,710</u>	<u>\$ -</u>

The outstanding trade receivables from related parties are unsecured. No allowance for doubtful accounts was recognized for trade receivables from related parties for the nine months ended September 30, 2023 and 2022.

e. Payables to related parties

Related Party Category	September 30, 2023	December 31, 2022	September 30, 2022
Trade payables			
Associate	<u>\$ 112</u>	<u>\$ 15,842</u>	<u>\$ 30,243</u>
Other payables			
Associate	<u>\$ -</u>	<u>\$ 18,469</u>	<u>\$ 2</u>
Related party in substance	<u>83</u>	<u>909</u>	<u>632</u>
	<u>\$ 83</u>	<u>\$ 19,378</u>	<u>\$ 634</u>

The outstanding trade payables to related parties are unsecured.

f. Operating expenses

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Associate	\$ -	\$ 2	\$ -	\$ 34
Related party in substance	<u>320</u>	<u>36</u>	<u>10,827</u>	<u>10,379</u>
	<u>\$ 320</u>	<u>\$ 38</u>	<u>\$ 10,827</u>	<u>\$ 10,413</u>

The Group recognized and paid associated donation expenses of \$10,000 thousand for the nine months ended September 30, 2023 and 2022 to help Lite-On Cultural Foundation, a related party in substance, facilitate communal, culture and educational projects.

g. Other revenue

Related Parties Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Associate	\$ -	\$ -	\$ 1,422	\$ 1,533
Related party in substance	<u>16</u>	<u>14</u>	<u>35</u>	<u>27</u>
	<u>\$ 16</u>	<u>\$ 14</u>	<u>\$ 1,457</u>	<u>\$ 1,560</u>

h. Acquisition of property, plant and equipment

Related Parties Category	Purchase Price			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Related party in substance	<u>\$ -</u>	<u>\$ 566</u>	<u>\$ 87</u>	<u>\$ 566</u>

i. Remuneration of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Short-term employee benefits	\$ 106,947	\$ 107,631	\$ 285,732	\$ 285,091
Post-employment benefits	355	371	1,068	1,087
Share-based payments	<u>78,081</u>	<u>5,306</u>	<u>189,882</u>	<u>5,306</u>
	<u>\$ 185,383</u>	<u>\$ 113,308</u>	<u>\$ 476,682</u>	<u>\$ 291,484</u>

The remuneration of directors and key executives was determined by the remuneration committee, based on the performance of individuals and market trends.

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

	September 30, 2023	December 31, 2022	September 30, 2022
Pledged time deposits (classified as financial assets at amortized cost)	<u>\$ 536,808</u>	<u>\$ 465,790</u>	<u>\$ 315,350</u>

Above assets included the guarantee deposits provided for general government projects and the custom duties regarding shipment clearance in advance of duty payments and tax refunds.

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group at September 30, 2022 were as follows:

a. Significant unrecognized commitments

- 1) In order to effectively utilize assets and to improve the safety of the plant structure and the efficiency of building bulk, the Company's board of director passed an urban renewal resolution on October 28, 2021 to rebuild the original Zhonghe factory into Zhonghe Digital Building. In the second quarter of 2022, the Company entered a contract and engaged ZEN RAY Construction Co., Ltd. to build on its own land. The total contract amount did not exceed \$1,886,000 thousand.
- 2) In order to carry on future business and expansion of capacity, the Company's board of director resolved to build the second-phase plant of Kaohsiung Manufacturing Center on October 28, 2022. In the second quarter of 2023, the Company signed a contract with RUENTEX ENGINEERING & CONSTRUCTION CO., LTD. to construct on the leased land. The total contract amount did not exceed \$4,395,000 thousand.

b. Contingencies

- 1) Nitride Semiconductors Co., Ltd. sued the Company and its subsidiaries, LITE-ON TECHNOLOGY USA, INC., LITE-ON, INC., and LITE-ON TRADING USA, INC. The petitioner claimed that certain products supplied by the subsidiaries infringed the original patents and demanded royalty payments. The Company has reached a settlement and signed a settlement agreement with Nitride Semiconductors Co., Ltd. and the court has accepted the motion to withdraw the lawsuit raised by both parties. There was no material impact on the operations and financial performance of the Group.
- 2) Sensor Electronic Technology, Inc. sued the Company and its subsidiaries, LITE-ON TECHNOLOGY USA, INC., LITE-ON, INC., and LITE-ON TRADING USA, INC. The petitioner claimed that certain products supplied by the subsidiaries infringed the original patents and demanded royalty payments. The Company has reached a settlement and signed a settlement agreement with Sensor Electronic Technology, Inc. and the court has accepted the motion to withdraw the lawsuit raised by both parties. There was no material impact on the operation and financial performance of the Group.
- 3) Nitek, Inc. sued the Company and its subsidiaries, LITE-ON TECHNOLOGY USA, INC., LITE-ON, INC. and LITE-ON TRADING USA, INC. The petitioner claimed that certain products supplied by the subsidiaries infringed the original patents and demanded royalty payments. The Company has reached a settlement and signed a settlement agreement with Nitek, Inc. and the court has accepted the motion to withdraw the lawsuit raised by both parties. There was no material impact on the operation and financial performance of the Group.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

September 30, 2023

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,164,242	7.3002 (USD:CNY)	\$ 37,517,692
USD	1,077,514	32.2250 (USD:NTD)	34,722,884
USD	32,363	36.6900 (USD:THB)	<u>1,042,911</u>
			<u>\$ 73,283,487</u>
<u>Financial liabilities</u>			
Monetary items			
USD	1,785,183	32.2250 (USD:NTD)	\$ 57,527,519
USD	710,085	7.3002 (USD:CNY)	<u>22,882,489</u>
			<u>\$ 80,410,008</u>

December 31, 2022

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,242,850	6.9404 (USD:CNY)	\$ 38,118,205
USD	1,202,830	30.6700 (USD:NTD)	36,890,795
USD	227,525	7.7967 (USD:HKD)	6,978,197
USD	34,108	34.4700 (USD:THB)	<u>1,046,087</u>
			<u>\$ 83,033,284</u>
Non-monetary items			
Investments in associates and joint ventures accounted for using the equity method			
USD	3,553	30.6700 (USD:NTD)	<u>\$ 108,968</u>
<u>Financial liabilities</u>			
Monetary items			
USD	1,902,761	30.6700 (USD:NTD)	\$ 58,357,694
USD	786,906	6.9409 (USD:CNY)	24,134,404
USD	92,763	7.7967 (USD:THB)	<u>2,845,028</u>
			<u>\$ 85,337,126</u>

September 30, 2022

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,341,535	7.0727 (USD:CNY)	\$ 42,526,649
USD	1,240,600	31.7000 (USD:NTD)	39,327,021
USD	191,196	7.8498 (USD:HKD)	6,060,912
USD	44,078	37.7900 (USD:THB)	1,397,280
USD	46,383	1.0184 (USD:EUR)	<u>1,470,334</u>
			<u>\$ 90,782,196</u>
Non-monetary items			
Investments in associates and joint ventures accounted for using the equity method			
USD	3,556	31.7000 (USD:NTD)	<u>\$ 112,730</u>
			(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 1,850,238	31.7000 (USD:NTD)	\$ 58,652,530
USD	881,072	7.0727 (USD:CNY)	27,929,978
USD	44,138	37.7900 (USD:THB)	<u>1,399,179</u>
			<u>\$ 87,981,687</u> (Concluded)

For the three months ended September 30, 2023 and 2022, net foreign exchange losses were \$1,160,812 thousand and \$1,596,034 thousand, respectively; for the nine months ended September 30, 2023 and 2022, net foreign exchange losses were \$1,287,538 thousand and \$2,688,381 thousand, respectively. It is impractical to disclose net foreign exchange gains or losses by each significant foreign currency due to the variety of the foreign currency transactions of the entities in the Group.

36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

- 1) Financing provided to others: See Table 1 below.
- 2) Endorsements/guarantees provided: See Table 2 below.
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): See Table 3 below.
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: See Table 4 below.
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: See Table 5 below.
- 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: See Table 6 below.
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table 7 below.
- 9) Trading in derivative instruments: See Notes 7 and 31 to the financial statements.
- 10) Others: Intercompany relationships and significant intercompany transactions: See Table 10 below.

b. Information on investees: See Table 8 below.

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 period, repatriations of investment income, and limit on the amount of investment in the mainland China area: See Table 9 below.
 - 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: See Tables 6, 7 and 10 below.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: None.

37. SEGMENT INFORMATION

a. General information

The Group identified the reportable segments based on the information provided to the chief operating decision maker, and the segments by the types of products included Opto-electronics, Information Technology & Consumer Electronics, and Cloud & AIoT. The types of products are described as follows:

- 1) Opto-electronics: Optoelectronics product solutions, outdoor lighting solutions and automotive electronics.
- 2) Information Technology & Consumer Electronics: Products used in NB, tablets, DT, gaming, consumer electronics and multifunction peripherals applications.
- 3) Cloud and AIoT: Products used in datacenter, server, networking, AIoT, smart devices and video intelligence solutions.

b. Measurement of segment information

The Group uses the income before income tax from operations as the measurement for segment profit and the basis of performance assessment. There was no material difference between the accounting policies of the operating segment and the accounting policies described in Note 4.

c. Segment information

The segment information provided to the chief operating decision maker for the reportable segments is as follows:

	For the Nine Months Ended September 30, 2023				
	Information Technology and Consumer Electronics				
	Opto-electronics	Information Technology and Consumer Electronics	Cloud and AIoT	Elimination	Total
Sales from external customers	\$ 23,438,334	\$ 48,959,584	\$ 39,026,506	\$ -	\$ 111,424,424
Sales among segments	203,110	844,384	6,745	(1,054,239)	-
Operating profit	1,876,772	7,897,089	4,434,963	-	14,208,824

	For the Nine Months Ended September 30, 2022				
		Information Technology and Consumer Electronics	Cloud and AIoT	Elimination	Total
Sales from external customers	\$ 26,209,014	\$ 61,576,103	\$ 42,576,455	\$ -	\$ 130,361,572
Sales among segments	245,286	1,027,277	7,216	(1,279,779)	-
Operating profit	3,231,776	7,233,116	3,511,748	-	13,976,640

d. Reconciliation information for segment profit (loss)

- 1) The revenue from external parties reported to the chief operating decision-maker is used the same accounting policies in consistent with in the statement of comprehensive income.
- 2) The reconciliation of reportable segments profit (loss) and income before income tax is provided as follows:

	For the Nine Months Ended September 30	
	2023	2022
Reportable segments' profit	\$ 14,208,824	\$ 13,976,640
Unclassified loss	(3,110,235)	(2,231,165)
Non-operating income and expenses	<u>2,915,143</u>	<u>1,252,790</u>
Profit before income tax	<u>\$ 14,013,732</u>	<u>\$ 12,998,265</u>

- 3) Segment profit represented the profit before tax earned by each segment without unclassified headquarter administration costs, new business research and development related costs, other income, other gains and losses, finance costs, share of profit of associates accounted for using the equity method, interest income, and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

38. OTHERS

The Company's board of directors approved the budget of \$2,805,284 thousand to construct the R&D building in Kaohsiung on February 21, 2023. The construction period will be from July 1, 2023 to January 31, 2026.

39. SIGNIFICANT EVENTS AFTER THE REPORTING DATE

In order to enrich working capital, the Company's board of directors resolved to issue the first domestic unsecured convertible corporate bonds on October 30, 2023. The face value per bond is \$100 thousand, with maximum total issued amount \$10,000,000 thousand. The issuance period is 5 years, with a 0% coupon rate. The issuance price will not less than 100% of par value. The actual issuance conditions will be determined by the chairman, authorized by the board of directors, in consultation with the underwriter, based on the financial market conditions.

TABLE 1

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(Amounts in Thousands of New Taiwan Dollars)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature for Financing (Note 1)	Transaction Amount	Reasons for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 2)	Note
													Item	Value			
1	LITE-ON TECHNOLOGY (CHANGZHOU) CO., LTD.	CHANGZHOU LEOTEK NEW ENERGY TRADE LIMITED	Receivables from related parties	Yes	\$ 102,276	\$ 101,529	\$ 101,529	2.45%	b	\$ -	Operating capital	\$ -	None	\$ -	\$ 5,296,224	\$ 5,296,224	
2	LITE-ON OPTO TECHNOLOGY (CHANGZHOU) CO., LTD.	LITE-ON INTELLIGENT TECHNOLOGY (YENCHENG) CORP.	Receivables from related parties	Yes	98,647	44,143	44,143	2.45%-2.50%	b	-	Operating capital	-	None	-	3,469,837	3,469,837	
2	LITE-ON OPTO TECHNOLOGY (CHANGZHOU) CO., LTD.	LITE-ON GREEN TECHNOLOGIES (NANJING) CORPORATION	Receivables from related parties	Yes	16,898	16,774	16,774	2.50%	b	-	Operating capital	-	None	-	3,469,837	3,469,837	
2	LITE-ON OPTO TECHNOLOGY (CHANGZHOU) CO., LTD.	BEIJING LITE-ON MOBILE ELECTRONIC AND TELECOMMUNICATION COMPONENTS CO., LTD.	Receivables from related parties	Yes	88,936	-	-	2.50%	b	-	Operating capital	-	None	-	3,469,837	3,469,837	
3	LITEON AUTOMOTIVE ELECTRONICS (GUANGZHOU) CO., LTD	BEIJING LITE-ON MOBILE ELECTRONIC AND TELECOMMUNICATION COMPONENTS CO., LTD	Receivables from related parties	Yes	132,429	132,429	132,429	2.45%	b	-	Operating capital	-	None	-	1,613,798	1,613,798	

Note 1: Reasons for financing are as follows:

- a. Business relationship.
- b. The need for short-term financing.

Note 2: Financing limit for each borrower and the aggregate financing limits are calculated based on the financing company’s policy.

Note 3: The net worth is based on the most current reviewed or audited financial statements.

Note 4: All intercompany financing transactions have been eliminated upon consolidation.

TABLE 2

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(Amounts in Thousands of New Taiwan Dollars)**

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 2)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	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	Note
		Name	Nature of Relationship (Note 1)											
1	Lite-On Capital Corporation	Lite-On Green Energy B.V.	c	\$ 2,104,139	\$ 326,432	\$ 317,826	\$ 317,826	\$ -	0.38	\$ 2,104,139	N	N	N	

- Note 1: Relationship between endorser/guarantor and endorsee/guarantee are as follows:
- a. Business relationship.
 - b. A subsidiary in which the Company holds directly and indirectly over 50% of an equity interest.
 - c. An investee in which the Company and its subsidiaries hold directly and indirectly over 50% of an equity interest.
- Note 2:
- a. The endorsement/guarantee limit for each entity and the total endorsement/guarantee limit are calculated on the basis of Lite-On Capital Corporation’s endorsement/guarantee procedures.
 - b. The net worth is based on the most current audited financial statements.

TABLE 3

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

SEPTEMBER 30, 2023

(Amounts in Thousands of New Taiwan Dollars or in Thousands of Foreign Currencies)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	September 30, 2023				Note
				Shares/Units (In Thousands)	Carrying Value (In Thousands)	Percentage of Ownership (%)	Fair Value (In Thousands)	
LITE-ON TECHNOLOGY CORPORATION	<u>Ordinary shares</u>							
	ENNOSTAR Inc.	-	Financial assets at FVTPL	224	\$ 9,855	0.03	\$ 9,855	
	Logah Technology Corp.	-	Financial assets at FVTOCI	7,578	90,938	8.14	90,938	
	Z-Com, Inc.	-	Financial assets at FVTOCI	63	708	0.09	708	
	InSynerger Technology Co., Ltd.	Member of the board of directors	Financial assets at FVTOCI	1,710	30,250	15.05	30,250	
	PlayNitride Inc.	Member of the board of directors	Financial assets at FVTOCI	4,235	431,943	3.95	431,943	
	Airoha Technology Corp.	-	Financial assets at FVTOCI	258	147,269	0.18	147,269	
	EMRIGHT TECHNOLOGY CO., LTD.	-	Financial assets at FVTOCI	2,355	47,108	17.00	47,108	
	Others	-	Financial assets at FVTPL and Financial assets at FVTOCI	53,300	-	-	-	1
	<u>Foreign convertible preferred stock</u>							
	Kneron Holding Corporation	-	Financial assets at FVTPL	1,500	291,319	2.19	291,319	
	<u>Preferred stock</u>							
	Others	-	Financial assets at FVTPL	16,781	-	-	-	1
	<u>Fund</u>							
	Arm IoT Fund, L.P.	-	Financial assets at FVTPL	-	66,119	10.33	66,119	
	Esquarre IoT Landing Fund	-	Financial assets at FVTPL	-	222,896	20.95	222,896	
	PacRim Venture Partners	-	Financial assets at FVTPL	-	-	3.00	-	
	<u>Domestic convertible bond</u>							
	Xepex Electronics Co., Ltd.	-	Financial assets at FVTPL	150	-	-	-	
Lite-on Capital Corporation	<u>Ordinary shares</u>							
	LITE-ON TECHNOLOGY CORPORATION	The parent company	Financial assets at FVTOCI	15,116	1,836,578	0.64	1,836,578	
	Lead Data, Inc.	-	Financial assets at FVTOCI	865	2,421	0.59	2,421	
	Compound Solar Technology Co., Ltd.	-	Financial assets at FVTPL	2,000	-	2.86	-	
Lite-On Green Energy (HK) Limited	<u>Ordinary shares</u>							
	Changzhou Binhu Thin Film Solar Greenhouse Co., Ltd.	-	Financial assets at FVTOCI	-	US\$ 140	19.90	US\$ 140	
YET FOUNDATE LIMITED	<u>Ordinary shares</u>							
	Northern Lights Semiconductor	-	Financial assets at FVTPL	3,000	-	5.91	-	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	September 30, 2023				Note
				Shares/Units (In Thousands)	Carrying Value (In Thousands)	Percentage of Ownership (%)	Fair Value (In Thousands)	
LET (HK) LIMITED	<u>Fund</u> Innovation Works Development Fund, L.P.	-	Financial assets at FVTPL	-	HK\$ 2,891	0.55	HK\$ 2,891	
LITE-ON TECHNOLOGY USA, INC.	<u>Fund</u> SMART WORLD INNOVATION FUND, L.P.	-	Financial assets at FVTPL	-	US\$ 2,765	18.61	US\$ 2,765	
	Amed Ventures II, L.P.	-	Financial assets at FVTPL	-	US\$ 1,047	2.27	US\$ 1,047	
	SMART WORLD INNOVATION FUND II, L.P.	-	Financial assets at FVTPL	-	US\$ 450	7.50	US\$ 450	
	<u>Foreign convertible preferred stock</u> MemryX Inc.	-	Financial assets at FVTPL	590	US\$ 425	1.76	US\$ 425	
LITE-ON SINGAPORE PTE. LTD.	<u>Ordinary shares</u> LuxVisions Innotech Limited	-	Financial assets at FVTOCI	12,000	US\$ 40,000	2.93	US\$ 40,000	
	<u>Fund</u> Grandfull Convergence Innovation Growth Fund, L.P.	-	Financial assets at FVTPL	-	US\$ 9,485	15.62	US\$ 9,485	
LTC GROUP LTD.	<u>Ordinary shares</u> VIZIO Holding Corp.	-	Financial assets at FVTPL	207	US\$ 1,118	0.11	US\$ 1,118	
TITANIC CAPITAL SERVICES LTD.	<u>Ordinary shares</u> LITE-ON TECHNOLOGY CORPORATION	The parent company	Financial assets at FVTOCI	7,004	851,013	0.30	851,013	
LITE-ON CHINA HOLDING CO., LTD.	<u>Ordinary shares</u> COMMIT Incorporated	-	Financial assets at FVTPL	4,962	-	1.87	-	
LITE-ON MOBILE PTE. LTD.	<u>Ordinary shares</u> Jiangxi Firstar Panel Technology Co., Ltd.	-	Financial assets at FVTPL	3	-	-	-	2

Note 1: As the amount is not significant, it would be disclosed under aggregation.

Note 2: In accordance with the restructuring plan of debtor, Jiangxi Firstar Panel Technology Co., Ltd., approved by the court, LITE-ON MOBILE PTE. LTD. acquired the shares by debt-for-equity swap.

(Concluded)

TABLE 4

LITE-ON TECHNOLOGY 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 NINE MONTHS ENDED SEPTEMBER 30, 2023
(Amounts in Thousands of New Taiwan Dollars or in Thousands of Foreign Currencies)

Holding Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares/Units (In Thousands)	Amount
LTC GROUP LTD.	The common stock of VIZIO HOLDING CORP.	Financial asset at fair value through profit or loss	-	-	2,447	\$ 556,171 (US\$ 18,134)	-	\$ -	2,240	\$ 487,518 (US\$ 15,783)	\$ 513,914 (US\$ 16,603)	\$ (26,396) (US\$ -820)	207	\$ 36,018 (US\$ 1,118)
LITE-ON MOBILE PTE. LTD.	The ordinary shares of Jiangxi Firstar Panel Technology Co., Ltd.	Financial asset at fair value through profit or loss	-	-	-	-	45,822	- (Note)	45,819	641,829 (CNY 148,748)	-	641,829 (CNY 148,748)	3	- (Note)

Note: There is no stock price because LITE-ON MOBILE PTE. LTD. agreed to acquire the shares by debt-for-equity swap, in accordance with the restructuring plan of debtor, Jiangxi Firstar Panel Technology Co., Ltd., approved by the court.

TABLE 5

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(Amounts In Thousands of New Taiwan Dollars)

Buyer	Property	Event Date	Transaction Amount (Note)	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
LITE-ON TECHNOLOGY CORPORATION	Buildings	MAY 31, 2023	Total contract amount shall not exceed \$4,395,000 thousand.	Monthly settlement by the construction progress and acceptance, paid by wire transfer 30 days after month-end.	RUENTEX ENGINEERING & CONSTRUCTION CO., LTD.	-	Not applicable	Not applicable	Not applicable	Not applicable	Tendering, the most advantageous tender awarded	Operation of the second-phase plant of Kaohsiung Manufacturing Center	None

Note: The final transaction amount will be based on the actual settlement.

TABLE 6

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Trade (Payable) or Receivable		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
LITE-ON TECHNOLOGY CORPORATION	Philips & Lite-On Digital Solutions Corporation LITE-ON TECHNOLOGY (CHANGZHOU) CO., LTD. LITE-ON SINGAPORE PTE. LTD. Lite-On Japan Ltd. LITE-ON, INC. LITE-ON TRADING USA, INC. LEOTEK CORPORATION LITE-ON TECHNOLOGY (CHANGZHOU) CO., LTD. LITE-ON VIETNAM CO., LTD. LITE-ON SINGAPORE PTE. LTD. LITE-ON, INC. Lite-On Overseas Trading Co., Ltd.	Subsidiary Fourth-tier subsidiary Subsidiary Subsidiary Sub-subsidiary Sub-subsidiary Subsidiary Subsidiary Subsidiary Subsidiary Subsidiary Subsidiary Subsidiary Subsidiary	Sale	\$ (5,793,595)	(12.89)	About 90 days	Cost-plus pricing	No significant difference	\$ 3,243,065	13.64	
			Sale	(432,785)	(0.96)	About 90 days	Cost-plus pricing	No significant difference	209,614	0.88	
			Sale	(2,247,106)	(5.00)	About 90 days	Cost-plus pricing	No significant difference	1,001,866	4.21	
			Sale	(154,374)	(0.34)	About 90 days	Cost-plus pricing	No significant difference	64,627	0.27	
			Sale	(154,376)	(0.34)	About 90 days	Cost-plus pricing	No significant difference	63,050	0.27	
			Sale	(4,765,254)	(10.60)	About 90 days	Cost-plus pricing	No significant difference	2,930,727	12.32	
			Purchase	136,167	0.37	About 90 days	Cost-plus pricing	No significant difference	(35,290)	(0.14)	
			Purchase	342,169	0.92	About 90 days	Cost-plus pricing	No significant difference	(144,924)	(0.57)	
			Purchase	2,173,769	5.87	About 90 days	Cost-plus pricing	No significant difference	(1,282,579)	(5.03)	
			Purchase	16,366,849	44.19	About 90 days	Cost-plus pricing	No significant difference	(8,396,396)	(32.92)	
			Purchase	114,618	0.31	About 90 days	Cost-plus pricing	No significant difference	-	-	
			Purchase	29,661,814	80.08	About 90 days	Cost-plus pricing	No significant difference	(14,043,632)	(55.07)	
LEOTEK CORPORATION	LEOTEK ELECTRONICS USA LLC	Subsidiary	Sale	(685,222)	(79.54)	About 90 days	Cost-plus pricing	No significant difference	331,201	86.71	
Philips & Lite-On Digital Solutions Corporation	Philips & Lite-On Digital Solutions USA, Inc.	Subsidiary	Sale	(1,792,420)	(30.25)	About 90 days	Cost-plus pricing	No significant difference	68,128	4.57	
LITE-ON ELECTRONICS (TIANJIN) CO., LTD.	LITE-ON SINGAPORE PTE. LTD.	Affiliate	Sale	(1,013,344)	(100.00)	About 90 days	Cost-plus pricing	No significant difference	329,618	100.00	
LITE-ON NETWORK COMMUNICATION (DONGGUAN) LIMITED	LITE-ON ELECTRONICS (GUANGZHOU) LIMITED Lite-On Overseas Trading Co., Ltd.	Affiliate	Sale	(332,570)	(4.88)	About 90 days	Cost-plus pricing	No significant difference	86,183	6.26	
			Sale	(6,456,566)	(94.68)	About 90 days	Cost-plus pricing	No significant difference	1,273,746	92.53	
LITE-ON OPTO TECHNOLOGY (CHANGZHOU) CO., LTD.	LITE-ON SINGAPORE PTE. LTD.	Affiliate	Sale	(3,694,231)	(100.00)	About 90 days	Cost-plus pricing	No significant difference	1,265,106	100.00	
LITEON LI SHIN TECHNOLOGY (GANZHOU) LTD.	Lite-On Overseas Trading Co., Ltd.	Affiliate	Sale	(448,958)	(100.00)	About 90 days	Cost-plus pricing	No significant difference	159,917	100.00	
LITE-ON TECHNOLOGY (CHANGZHOU) CO., LTD.	LITE-ON SINGAPORE PTE. LTD. Lite-On Overseas Trading Co., Ltd.	Affiliate	Sale	(9,112,656)	(59.80)	About 90 days	Cost-plus pricing	No significant difference	3,460,118	57.56	
			Sale	(5,783,246)	(37.95)	About 90 days	Cost-plus pricing	No significant difference	2,406,779	40.03	
LITE-ON TECHNOLOGY (XIANNING) CO., LTD.	Lite-On Overseas Trading Co., Ltd.	Affiliate	Sale	(344,914)	(100.00)	About 90 days	Cost-plus pricing	No significant difference	79,115	100.00	
LITE-ON TECHNOLOGY (SHANGHAI) CO., LTD.	LITE-ON TECHNOLOGY (CHANGZHOU) CO., LTD.	Affiliate	Sale	(109,466)	(2.68)	About 90 days	Cost-plus pricing	No significant difference	52,026	2.63	
LITE-ON ELECTRONICS (DONGGUAN) CO., LTD.	Lite-On Overseas Trading Co., Ltd.	Affiliate	Sale	(8,880,350)	(100.00)	About 90 days	Cost-plus pricing	No significant difference	3,685,629	100.00	
SILITEK ELEC. (DONGGUAN) CO., LTD.	LITE-ON TECHNOLOGY (CHANGZHOU) CO., LTD. LITE-ON TECHNOLOGY (SHANGHAI) CO., LTD. Lite-On Overseas Trading Co., Ltd.	Affiliate	Sale	(154,890)	(2.61)	About 90 days	Cost-plus pricing	No significant difference	87,890	2.80	
			Sale	(104,796)	(1.77)	About 90 days	Cost-plus pricing	No significant difference	60,788	1.94	
			Sale	(5,628,358)	(94.91)	About 90 days	Cost-plus pricing	No significant difference	2,974,062	94.90	
LITE-ON POWER TECHNOLOGY (DONGGUAN) CO., LTD.	LITE-ON SINGAPORE PTE. LTD.	Affiliate	Sale	(1,173,380)	(100.00)	About 90 days	Cost-plus pricing	No significant difference	537,765	100.00	
HUIZHOU LI SHIN ELECTRONIC CO., LTD.	Lite-On Overseas Trading Co., Ltd.	Affiliate	Sale	(1,255,634)	(87.77)	About 90 days	Cost-plus pricing	No significant difference	296,426	81.06	
LITE-ON ELECTRONICS (GUANGZHOU) LIMITED	LITE-ON TECHNOLOGY (SHANGHAI) CO., LTD. Lite-On Overseas Trading Co., Ltd.	Affiliate	Sale	(355,823)	(5.09)	About 90 days	Cost-plus pricing	No significant difference	234,515	6.66	
			Sale	(6,624,428)	(94.85)	About 90 days	Cost-plus pricing	No significant difference	3,248,026	92.19	
LITEON AUTOMOTIVE ELECTRONICS (GUANGZHOU) CO., LTD.	LITE-ON TECHNOLOGY (SHANGHAI) CO., LTD. Lite-On Overseas Trading Co., Ltd.	Affiliate	Sale	(104,365)	(26.94)	About 90 days	Cost-plus pricing	No significant difference	79,654	41.34	
			Sale	(283,020)	(73.06)	About 90 days	Cost-plus pricing	No significant difference	113,034	58.66	
LITEON-IT OPTO TECH (BH) CO., LTD.	Lite-On Overseas Trading Co., Ltd.	Affiliate	Sale	(3,754,737)	(100.00)	About 90 days	Cost-plus pricing	No significant difference	1,620,069	100.00	
Lite-On Electronics (Thailand) Co., Ltd.	LITE-ON SINGAPORE PTE. LTD.	Affiliate	Sale	(3,169,057)	(97.08)	About 90 days	Cost-plus pricing	No significant difference	652,581	96.33	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Trade (Payable) or Receivable		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
LITE-ON SINGAPORE PTE. LTD.	LITE-ON TECHNOLOGY (SHANGHAI) CO., LTD.	Subsidiary	Sale	\$ (790,637)	(1.58)	About 90 days	Cost-plus pricing	No significant difference	\$ 359,404	1.71	
	LITE-ON ELECTRONICS H.K. LIMITED	Affiliate	Sale	(1,160,706)	(2.33)	About 90 days	Cost-plus pricing	No significant difference	610,761	2.91	
	Lite-On Japan Ltd.	Affiliate	Sale	(241,270)	(0.48)	About 90 days	Cost-plus pricing	No significant difference	119,936	0.57	
	LITE-ON, INC.	Affiliate	Sale	(393,655)	(0.79)	About 90 days	Cost-plus pricing	No significant difference	171,212	0.82	
	LITE-ON TRADING USA, INC.	Affiliate	Sale	(6,803,995)	(13.64)	About 90 days	Cost-plus pricing	No significant difference	3,574,765	17.06	
	LITE-ON MOBILE INDÚSTRIA E COMÉRCIO DE PLÁSTICOS LTDA.	Affiliate	Sale	(289,103)	(0.58)	About 90 days	Cost-plus pricing	No significant difference	104,851	0.50	
LITE-ON AUTOMOTIVE ELECTRONICS MEXICO, S.A. DE C.V.	LITE-ON SINGAPORE PTE. LTD.	Affiliate	Sale	(428,491)	(100.00)	About 90 days	Cost-plus pricing	No significant difference	53,698	100.00	
Lite-On Overseas Trading Co., Ltd.	LITE-ON NETWORK COMMUNICATION (DONGGUAN) LIMITED	Affiliate	Sale	(5,137,589)	(7.01)	About 90 days	Cost-plus pricing	No significant difference	1,871,458	5.55	
	LITE-ON TECHNOLOGY (CHANGZHOU) CO., LTD.	Affiliate	Sale	(7,416,271)	(10.12)	About 90 days	Cost-plus pricing	No significant difference	3,777,572	11.20	
	LITE-ON ELECTRONICS (DONGGUAN) CO., LTD.	Affiliate	Sale	(6,453,448)	(8.81)	About 90 days	Cost-plus pricing	No significant difference	1,931,890	5.73	
	SILITEK ELEC. (DONGGUAN) CO., LTD.	Affiliate	Sale	(3,996,369)	(5.45)	About 90 days	Cost-plus pricing	No significant difference	899,385	2.67	
	HUIZHOU LI SHIN ELECTRONIC CO., LTD.	Affiliate	Sale	(273,870)	(0.37)	About 90 days	Cost-plus pricing	No significant difference	50,829	0.15	
	LITE-ON ELECTRONICS (GUANGZHOU) LIMITED	Affiliate	Sale	(4,448,558)	(6.07)	About 90 days	Cost-plus pricing	No significant difference	2,278,860	6.76	
	LITEON AUTOMOTIVE ELECTRONICS (GUANGZHOU) CO., LTD.	Affiliate	Sale	(319,095)	(0.44)	About 90 days	Cost-plus pricing	No significant difference	152,414	0.45	
	LITEON-IT OPTO TECH (BH) CO., LTD.	Affiliate	Sale	(3,025,950)	(4.13)	About 90 days	Cost-plus pricing	No significant difference	1,810,877	5.37	
	LITE-ON VIETNAM CO., LTD.	Affiliate	Sale	(2,446,327)	(3.34)	About 90 days	Cost-plus pricing	No significant difference	1,658,815	4.92	
	LITE-ON SINGAPORE PTE. LTD.	Affiliate	Sale	(9,861,780)	(13.46)	About 90 days	Cost-plus pricing	No significant difference	5,147,116	15.27	
Lite-On (Guangzhou) Automotive Electronics Limited	LITE-ON TECHNOLOGY (SHANGHAI) CO., LTD.	Affiliate	Sale	(2,164,534)	(44.17)	About 90 days	Cost-plus pricing	No significant difference	1,169,784	73.06	
	LITE-ON SINGAPORE PTE. LTD.	Affiliate	Sale	(2,687,920)	(54.85)	About 90 days	Cost-plus pricing	No significant difference	430,181	26.87	

Note: All intercompany sales and purchases have been eliminated upon consolidation.

(Concluded)

TABLE 7

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
SEPTEMBER 30, 2023
(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance of Notes Receivable from Related Parties	Ending Balance of Trade Receivables from Related Parties	Ending Balance of Other Receivables from Related Parties	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
							Amount	Action Taken		
LITE-ON TECHNOLOGY CORPORATION	Philips & Lite-On Digital Solutions Corporation	Subsidiary	\$ -	\$ 3,243,065	\$ 153	2.92	\$ -	-	\$ 632,488	\$ -
	LITE-ON TECHNOLOGY (CHANGZHOU) CO., LTD.	Fourth-tier subsidiary	-	209,614	-	2.29	-	-	33,058	-
	LITE-ON SINGAPORE PTE. LTD.	Subsidiary	-	1,001,866	90,010	2.48	-	-	276,890	-
	LITE-ON TRADING USA, INC.	Sub-subsidiary	-	2,930,727	2,441	2.46	-	-	758,760	-
	Lite-On Overseas Trading Co., Ltd.	Subsidiary	-	1,053,306	6,202	-	-	-	318,610	-
LEOTEK CORPORATION	LEOTEK ELECTRONICS USA LLC	Subsidiary	-	331,201	399	3.12	-	-	99,092	-
LITE-ON ELECTRONICS (TIANJIN) CO., LTD.	LITE-ON SINGAPORE PTE. LTD.	Affiliate	-	329,618	-	4.78	-	-	112,762	-
LITE-ON NETWORK COMMUNICATION (DONGGUAN) LIMITED	Lite-On Overseas Trading Co., Ltd.	Affiliate	-	1,273,746	1,522	5.12	-	-	529	-
LITE-ON OPTO TECHNOLOGY (CHANGZHOU) CO., LTD.	LITE-ON SINGAPORE PTE. LTD.	Affiliate	-	1,265,106	6,922	4.09	-	-	436,050	-
LITEON LI SHIN TECHNOLOGY (GANZHOU) LTD.	Lite-On Overseas Trading Co., Ltd.	Affiliate	-	159,917	-	4.58	-	-	47,696	-
LITE-ON TECHNOLOGY (CHANGZHOU) CO., LTD.	LITE-ON TECHNOLOGY CORPORATION	The parent company	-	144,924	-	2.62	-	-	36,311	-
	CHANGZHOU LEOTEK NEW ENERGY TRADE LIMITED	Affiliate	-	-	103,635	-	-	-	22	-
	LITE-ON SINGAPORE PTE. LTD.	Affiliate	-	3,460,118	-	3.24	-	-	875,174	-
	Lite-On Overseas Trading Co., Ltd.	Affiliate	-	2,406,779	-	3.71	-	-	704,996	-
LITE-ON ELECTRONICS (DONGGUAN) CO., LTD.	Lite-On Overseas Trading Co., Ltd.	Affiliate	-	3,685,629	-	4.48	-	-	1,027,873	-
SILITEK ELEC. (DONGGUAN) CO., LTD.	Lite-On Overseas Trading Co., Ltd.	Affiliate	-	2,974,062	-	2.51	-	-	2,631	-
LITE-ON POWER TECHNOLOGY (DONGGUAN) CO., LTD.	LITE-ON SINGAPORE PTE. LTD.	Affiliate	-	537,765	-	4.62	-	-	125,767	-
HUIZHOU LI SHIN ELECTRONIC CO., LTD.	Lite-On Overseas Trading Co., Ltd.	Affiliate	-	296,426	-	5.70	-	-	143,115	-
LITE-ON ELECTRONICS (GUANGZHOU) LIMITED	LITE-ON TECHNOLOGY (SHANGHAI) CO., LTD.	Affiliate	-	234,515	-	2.09	-	-	60,208	-
	Lite-On Overseas Trading Co., Ltd.	Affiliate	-	3,248,026	-	1.67	-	-	-	-
LITEON AUTOMOTIVE ELECTRONICS (GUANGZHOU) CO., LTD.	Lite-On Overseas Trading Co., Ltd.	Affiliate	-	113,034	-	3.00	-	-	18,515	-
	BEIJING LITE-ON MOBILE ELECTRONIC AND TELECOMMUNICATION COMPONENTS CO., LTD.	Affiliate	-	-	132,483	-	-	-	-	-
LITEON-IT OPTO TECH (BH) CO., LTD.	Lite-On Overseas Trading Co., Ltd.	Affiliate	-	1,620,069	-	3.53	-	-	494,177	-
Lite-On Electronics (Thailand) Co., Ltd.	LITE-ON SINGAPORE PTE. LTD.	Affiliate	-	652,581	9,934	6.50	-	-	304,146	-
LITE-ON VIETNAM CO., LTD.	LITE-ON TECHNOLOGY CORPORATION	The parent company	-	1,282,579	325	2.67	-	-	243,656	-

(Continued)

Company Name	Related Party	Nature of Relationship	Ending Balance of Notes Receivable from Related Parties	Ending Balance of Trade Receivables from Related Parties	Ending Balance of Other Receivables from Related Parties	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
							Amount	Action Taken		
LITE-ON SINGAPORE PTE. LTD.	LITE-ON TECHNOLOGY CORPORATION	The parent company	\$ -	\$ 8,396,396	\$ 14,011	2.49	\$ -	-	\$ 1,925,467	\$ -
	LITE-ON TECHNOLOGY (SHANGHAI) CO., LTD.	Subsidiary	-	359,404	-	2.13	-	-	103,722	-
	LITE-ON ELECTRONICS H.K. LIMITED	Affiliate	-	610,761	271	2.68	-	-	5,030	-
	Lite-On Japan Ltd.	Affiliate	-	119,936	497	2.68	-	-	30,035	-
	LITE-ON, INC.	Affiliate	-	171,212	671	3.47	-	-	45,634	-
	LITE-ON TRADING USA, INC.	Affiliate	-	3,574,765	53,292	2.47	-	-	243,679	-
	LITE-ON MOBILE INDÚSTRIA E COMÉRCIO DE PLÁSTICOS LTDA.	Affiliate	-	104,851	808	5.44	-	-	9,468	-
Lite-On Overseas Trading Co., Ltd.	LITE-ON TECHNOLOGY CORPORATION	The parent company	-	14,043,632	-	2.48	-	-	1,533,703	-
	LITE-ON NETWORK COMMUNICATION (DONGGUAN) LIMITED	Affiliate	-	1,871,458	1,422	3.49	-	-	-	-
	LITE-ON TECHNOLOGY (CHANGZHOU) CO., LTD.	Affiliate	-	3,777,572	-	2.49	-	-	838,944	-
	LITE-ON ELECTRONICS (DONGGUAN) CO., LTD.	Affiliate	-	1,931,890	-	4.83	-	-	857,388	-
	SILITEK ELEC. (DONGGUAN) CO., LTD.	Affiliate	-	899,385	121	7.32	-	-	491,252	-
	LITE-ON ELECTRONICS (GUANGZHOU) LIMITED	Affiliate	-	2,278,860	1,584	1.82	-	-	49,912	-
	LITEON AUTOMOTIVE ELECTRONICS (GUANGZHOU) CO., LTD.	Affiliate	-	152,414	1,827	2.43	-	-	33,762	-
	LITEON-IT OPTO TECH (BH) CO., LTD.	Affiliate	-	1,810,877	-	2.68	-	-	426,940	-
	LITE-ON VIETNAM CO., LTD.	Affiliate	-	1,658,815	4,551	2.71	-	-	349,086	-
	LITE-ON SINGAPORE PTE. LTD.	Affiliate	-	5,147,116	-	3.73	-	-	27,440	-
Lite-On (Guangzhou) Automotive Electronics Limited	LITE-ON TECHNOLOGY (SHANGHAI) CO., LTD.	Affiliate	-	1,169,784	14,264	2.41	-	-	290,060	-
	LITE-ON SINGAPORE PTE. LTD.	Affiliate	-	430,181	1,010	10.02	-	-	302,855	-

Note: All intercompany transactions have been eliminated upon consolidation.

(Concluded)

TABLE 8

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

**NAMES, LOCATIONS, AND RELATED INFORMATION ON INVESTEEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023**
(Amounts in Thousands of New Taiwan Dollars or Thousands of Foreign Currencies)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2023			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				September 30, 2023	December 31, 2022	Shares	Percentage of Ownership (%)	Carrying Amount			
LITE-ON TECHNOLOGY CORPORATION	Silitech Technology Corporation	New Taipei City, Taiwan	Manufacture and sale of modules and plastic/rubber products	\$ 60,504	\$ 60,504	11,322,003	16.65	\$ 425,053	\$ 92,100	\$ 15,335	Associate (Note 1)
	DragonJet Corporation	New Taipei City, Taiwan	Manufacture and sale of computer peripherals, printers, digital cameras, modules and plastic products	1,069,080	1,069,080	21,968,856	29.62	471,642	101,002	33,351	Associate
	Lite-On Capital Corporation	Taipei City, Taiwan	Investment activities	3,707,984	3,707,984	170,706,763	100.00	1,145,636	73,200	(2,379)	Subsidiary
	LITE-ON ELECTRONICS H.K. LIMITED	Hong Kong	Sale of LED optical products	7,339,481	7,339,481	17,865,367	100.00	23,089,455	1,226,647	1,318,652	Subsidiary
	Lite-On Electronics (Thailand) Co., Ltd.	Thailand	Manufacture and sale of LED optical products	632,128	632,128	6,049,844	100.00	2,318,696	108,213	108,210	Subsidiary
	Lite-On Japan Ltd.	Japan	Sale of LED optical products and power supplies	679,856	679,856	12,451,058	100.00	938,082	65,681	67,551	Subsidiary
	Lite-On International Holding Co., Ltd.	British Virgin Islands	Investment activities	11,721,054 (US\$ 363,725)	11,721,054 (US\$ 363,725)	363,725,483	100.00	26,129,930	1,325,233	1,469,030	Subsidiary
	LTC GROUP LTD.	British Virgin Islands	Investment activities	1,098,752	1,098,752	32,915,855	100.00	1,487,781	18,681	(8,986)	Subsidiary
	LITE-ON TECHNOLOGY USA, INC.	USA	Investment activities	1,874,582 (US\$ 58,172)	1,777,907 (US\$ 55,172)	470,239	100.00	2,256,734	(121,749)	(129,074)	Subsidiary
	LITE-ON ELECTRONICS (EUROPE) LIMITED	United Kingdom	Manufacture and sale of power supplies	44,559	44,559	300,000	100.00	84,722	5,514	5,514	Subsidiary
	Lite-On Technology (Europe) B.V.	Netherlands	Market research and after-sales services	2,322,039	2,322,039	330,896	54.00	291,901	(18,122)	(9,786)	Subsidiary
	Lite-On Overseas Trading Co., Ltd.	British Virgin Islands	Investment activities	168,947	168,947	5,142,962	100.00	1,412,808	(146,250)	(146,250)	Subsidiary
	LITE-ON SINGAPORE PTE. LTD.	Singapore	Manufacture and supply of computer peripheral products	2,055,563 (US\$ 63,788)	2,055,563 (US\$ 63,788)	51,776,500	100.00	32,951,216	3,618,055	3,351,350	Subsidiary
	LITE-ON VIETNAM CO., LTD.	Vietnam	Electronic contract manufacturing	2,868,025 (US\$ 89,000)	1,675,700 (US\$ 52,000)	-	100.00	3,022,317	(181,490)	(181,490)	Subsidiary
	EAGLE ROCK INVESTMENT LTD.	British Virgin Islands	Import and export and investment activities	341	341	10,000	100.00	1,592,024	93,147	93,147	Subsidiary
	LITE-ON MOBILE PTE. LTD.	Singapore	Manufacture and sale of mobile phone modules and design of assembly lines	15,453,334 (EUR 457,014)	15,453,334 (EUR 457,014)	136,518,338	100.00	3,559,474	820,263	820,263	Subsidiary
	LET (HK) LIMITED	Hong Kong	Sale of optical disc drives	251,322	251,322	62,059,600	100.00	44,821	459	459	Subsidiary
	HIGH YIELD GROUP CO., LTD.	British Virgin Islands	Holding company	1,355,986	2,274,586	38,238,000	100.00	5,266,974	85,861	135,896	Subsidiary
	Philips & Lite-On Digital Solutions Corporation	Taipei City, Taiwan	Sale of optical disc drives	267,113	267,113	17,150,000	49.00	287,534	18,900	9,261	Subsidiary
	Lite-Space Technology Company Limited	Hong Kong	Sale of computer components	-	165,498	-	-	-	-	-	Associate (Note 2)
	LITE-ON AUTOMOTIVE ELECTRONICS MEXICO, S.A. DE C.V.	Mexico	Production, manufacture, sale, import and export of photovoltaic devices, key electronic components, telecommunications equipment, information technology equipment, semiconductor applications, general lighting, automotive electronics, renewable energy products and systems and maintenance of automotive industry	287,125 (US\$ 8,910)	287,125 (US\$ 8,910)	294,825	99.00	503,566	33,071	32,740	Subsidiary
	Lite-On Automotive International (Cayman) Co., Ltd.	Cayman	Investment activities	3,242,673 (US\$ 100,626)	3,242,673 (US\$ 100,626)	11,967,300	100.00	2,966,313	194,603	209,769	Subsidiary
	KBW-LEOTEK Jordan Private Shareholding Limited	Jordan	Investment activities	2,231 (US\$ 69)	2,231 (US\$ 69)	49,000	49.00	-	306	150	Subsidiary (Note 3)
	KBW-LITEON Jordan Private Shareholding Limited	Jordan	Production and manufacture of energy-saving lights and project construction and maintenance	1,641,153 (US\$ 50,928)	1,641,153 (US\$ 50,928)	36,056,975	99.86	-	(25,264)	(25,229)	Subsidiary (Note 3)

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2023			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				September 30, 2023	December 31, 2022	Shares	Percentage of Ownership (%)	Carrying Amount			
LITE-ON TECHNOLOGY CORPORATION	LITE-ON POWER ELECTRONIC INDIA PRIVATE LIMITED	India	Manufacture and sale of phone chargers and power supplies	\$ 389,124 (INR 1,023,741)	\$ 389,124 (INR 1,023,741)	102,374,058	99.00	\$ 331,320	\$ 48,827	\$ 48,338	Subsidiary
	SKYLA CORPORATION	Taiwan	Manufacture and sale of medical equipment	180,700	180,700	18,070,000	55.19	254,719	43,091	25,429	Subsidiary
	LEOTEK CORPORATION	Taipei City, Taiwan	Wholesale, import, export and installation of street lights, signal lights, scenery lights and new-type electronic components	600,000	600,000	60,000,000	100.00	734,332	88,237	129,110	Subsidiary
	LITE-ON MOBILE INDÚSTRIA E COMÉRCIO DE PLÁSTICOS LTDA.	Brazil	Manufacture and sale of mobile phone molds and design of assembly lines	41,848 (US\$ 1,299)	41,848 (US\$ 1,299)	6,507,001	2.97	41,288	118,779	3,528	Subsidiary
	CEDARS DIGITAL PTE. LTD.	Singapore		- (SGD -)	- (SGD -)	1	100.00	-	-	-	Subsidiary (Note 4)
LEOTEK CORPORATION	LEOTEK ELECTRONICS USA LLC	USA	Sale of LED products	293,452	293,452	-	100.00	329,421	19,695	-	Subsidiary
Lite-On Capital Corporation	Silitech Technology Corporation	New Taipei City, Taiwan	Manufacture and sale of modules and plastic/rubber products	107,901	107,901	385,545	0.57	14,474	92,100	-	Associate (Note 1)
	Lite-On Green Technologies, Inc.	Taipei City, Taiwan	Manufacture and wholesale of electronic components and energy technology services	1,040,000	1,040,000	67,000,000	100.00	240,570	3,624	-	Subsidiary
	Lite-on Green Energy (HK) Limited	Hong Kong	Investment activities	99,898 (US\$ 3,100)	99,898 (US\$ 3,100)	3,100,000	100.00	6,461	(56)	-	Subsidiary
	Lite-On Technology (Europe) B.V.	Netherlands	Market research and after-sales services	1,938,096	1,938,096	281,875	46.00	246,805	(18,122)	-	Subsidiary
	LITE-ON GREEN ENERGY (SINGAPORE) PTE. LTD.	Singapore	Investment activities	227,434	227,434	3,457,760	100.00	106,475	(1,002)	-	Subsidiary
Lite-On Green Technologies, Inc.	Lite-On Green Technologies B.V.	Netherlands	Solar energy engineering	389,541 (EUR 11,520)	389,541 (EUR 11,520)	6,818,200	100.00	55,445	3,331	-	Subsidiary
LITE-ON GREEN ENERGY (SINGAPORE) PTE. LTD.	Lite-On Green Energy B.V.	Netherlands	Investment activities	84,534 (EUR 2,500)	84,534 (EUR 2,500)	9,139,785	100.00	20,020	(105)	-	Subsidiary
Lite-On Green Technologies B.V.	Kompaktsolar GmbH	Germany	Solar energy engineering	13,559 (EUR 401)	13,559 (EUR 401)	51,000	51.00	-	-	-	Associate
CHINA BRIDGE (CHINA) CO., LTD.	WUXI CHINA BRIDGE EXPRESS TRADING CO., LTD.	Wuxi, China	Assembly and sale of power supplies, printers, display devices and scanners	159,992 (CNY 36,244)	159,992 (CNY 36,244)	-	100.00	240,407	232	-	Subsidiary
	LITE-ON OPTO TECHNOLOGY (CHANGZHOU) CO., LTD.	Changzhou, China	Development, manufacture and sale of new-type electronic components and LEDs and provision of technology consulting services, maintenance equipment and after-sales services	375,281 (CNY 85,015)	375,281 (CNY 85,015)	-	12.59	436,852	205,244	-	Subsidiary
LITE-ON TECHNOLOGY (JIANGSU) CO., LTD.	LITE-ON TECHNOLOGY (CHANGZHOU) CO., LTD.	Changzhou, China	Development, manufacture, sale and installation of power supplies and transformers and provision of technology consulting services, maintenance equipment and after-sales services	2,326,928 (CNY 527,134)	2,326,928 (CNY 527,134)	-	100.00	5,296,224	569,496	-	Subsidiary
	LITE-ON OPTO TECHNOLOGY (CHANGZHOU) CO., LTD.	Changzhou, China	Development, manufacture and sale of new-type electronic components and LEDs and provision of technology consulting services, maintenance equipment and after-sales services	2,224,706 (CNY 503,977)	2,224,706 (CNY 503,977)	-	87.41	3,032,984	205,244	-	Subsidiary
	LITE-ON MEDICAL DEVICE (CHANGZHOU) LTD.	Changzhou, China	Manufacture and sale of medical equipment	135,254 (CNY 30,640)	135,254 (CNY 30,640)	-	100.00	82,633	(9,147)	-	Subsidiary
	LITE-ON AUTOMOTIVE ELECTRONICS (CHANGZHOU) CO., LTD.	Changzhou, China	Manufacture, sale and processing of electronic products	987,680 (CNY 223,746)	987,680 (CNY 223,746)	-	100.00	996,914	2,354	-	Subsidiary
Lite-On Automotive International (Cayman) Co., Ltd.	LITE-ON AUTOMOTIVE HOLDINGS (HONG KONG) CO., LIMITED	Hong Kong	Investment activities	172,956 (HK\$ 42,009)	172,956 (HK\$ 42,009)	101,250,185	100.00	2,191,235	153,338	-	Subsidiary
HIGH YIELD GROUP CO., LTD.	LITE-ON IT INTERNATIONAL (HK) LIMITED	Hong Kong	Sale of optical disc drives	3,299,840 (US\$ 102,400)	3,299,840 (US\$ 102,400)	102,400,000	100.00	3,911,232	15,775	-	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2023			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				September 30, 2023	December 31, 2022	Shares	Percentage of Ownership (%)	Carrying Amount			
Philips & Lite-On Digital Solutions Corporation	Philips & Lite-On Digital Solutions USA, Inc.	USA	Sale of optical disc drives	\$ 33	\$ 33	1,000	100.00	\$ 308,665	\$ 17,429	\$ -	Subsidiary
	PLDS Germany GmbH	Germany	Development and sale of modules of automotive recorders	1,326,996	1,326,996	-	100.00	1,178,524	108,848	-	Subsidiary
	Philips & Lite-On Digital Solutions Korea Ltd.	South Korea	Sale of optical disc drives	-	15,376	-	-	-	(4,153)	-	Subsidiary (Note 5)
KBW-LEOTEK Jordan Private Shareholding Limited	LEOTEK, PSC	Jordan	Production, manufacture energy-saving lights	1,365 (JOD 30)	1,365 (JOD 30)	30,000	60.00	-	490	-	Subsidiary (Note 3)
LITE-ON TECHNOLOGY USA, INC.	LITE-ON, INC.	USA	Sales data processing business of optoelectronic products and power supplies	418,925 (US\$ 13,000)	96,675 (US\$ 3,000)	3,000,000	100.00	556,653	(66,813)	-	Subsidiary
	LITE-ON TRADING USA, INC.	USA	Sale of optical products	1,015,088 (US\$ 31,500)	1,015,088 (US\$ 31,500)	315,000	100.00	1,424,097	39,165	-	Subsidiary
	POWER INNOVATIONS INTERNATIONAL, INC.	USA	Development, design and manufacture of power controls and energy management	507,741 (US\$ 15,756)	507,741 (US\$ 15,756)	12,916,109	100.00	44,272	(97,717)	-	Subsidiary
	LITE-ON TECHNOLOGY SERVICE, INC.	USA	After-sales services of optical products	48,338 (US\$ 1,500)	48,338 (US\$ 1,500)	1,000	100.00	61,805	(1,825)	-	Subsidiary
Lite-On International Holding Co., Ltd.	LITE-ON CHINA HOLDING CO., LTD.	British Virgin Islands	Investment activities	13,771,081 (US\$ 427,342)	13,771,081 (US\$ 427,342)	427,341,532	100.00	20,549,893	1,118,204	-	Subsidiary
LITE-ON SINGAPORE PTE. LTD.	LiteStar JV Holding (BVI) Co., Ltd.	British Virgin Islands	Investment activities	870,075 (US\$ 27,000)	870,075 (US\$ 27,000)	2,323	17.59	733,325	(165,624)	-	Associate
	LITE-ON AUTOMOTIVE ELECTRONICS MEXICO, S.A. DE C.V.	Mexico	Production, manufacture, sale, import and export of photovoltaic devices, key electronic components, telecommunications equipment, information technology equipment, semiconductor applications, general lighting, automotive electronics, renewable energy products and systems and maintenance of automotive industry	2,900 (US\$ 90)	2,900 (US\$ 90)	2,978	1.00	5,087	33,071	-	Subsidiary
	LITE-ON POWER ELECTRONIC INDIA PRIVATE LIMITED	India	Manufacture and sale of phone chargers and power supplies	3,931 (INR 10,341)	3,931 (INR 10,341)	1,034,082	1.00	3,347	48,827	-	Subsidiary
LITE-ON TECHNOLOGY (SHANGHAI) CO., LTD.	LITE-ON INTELLIGENT TECHNOLOGY (YENCHENG) CORP.	Yancheng, China	Wholesale, import, export and installation of street lights, signal lights, scenery lights and new-type electronic components	85,757 (CNY 19,427)	85,757 (CNY 19,427)	-	100.00	67,314	(5,895)	-	Subsidiary
LTC GROUP LTD.	TITANIC CAPITAL SERVICES LTD.	British Virgin Islands	Investment activities	\$ 1,014,620	\$ 1,014,620	8,655,240	100.00	1,041,594	30,302	-	Subsidiary
Lite-On Technology (Europe) B.V.	Lite-On (Finland) Oy	Finland	Manufacture and sale of mobile phone modules and design of assembly lines	2,194,210 (EUR 64,891)	2,194,210 (EUR 64,891)	2,500	100.00	355,903	(22,853)	-	Subsidiary
Lite-On (Finland) Oy	Lite-On Mobile Oyj	Finland	Manufacture and sale of mobile phone modules and design of assembly lines	- (EUR -)	6,514,083 (EUR 196,618)	-	-	-	1,313	-	Subsidiary (Note 6)
LITE-ON CHINA HOLDING CO., LTD.	LITE-ON ELECTRONICS COMPANY LIMITED	Hong Kong	Investment activities	12,108,859 (US\$ 375,760)	12,108,859 (US\$ 375,760)	3,083,467,107	100.00	19,054,716	1,024,423	-	Subsidiary
	YET FOUNDATE LIMITED	Hong Kong	Manufacture of plastic and computer peripheral products	323,215 (CNY 73,220)	323,215 (CNY 73,220)	68,429,663	100.00	616,556	38,144	-	Subsidiary
	FORDGOOD ELECTRONIC LIMITED	Hong Kong	Import and export and real estate business	408,153 (US\$ 12,666)	408,153 (US\$ 12,666)	100,150,100	100.00	672,245	54,516	-	Subsidiary
	G&W TECHNOLOGY (BVI) LIMITED	British Virgin Islands	Real estate management	125,678 (US\$ 3,900)	125,678 (US\$ 3,900)	3,900,000	50.00	150,712	(912)	-	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2023			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				September 30, 2023	December 31, 2022	Shares	Percentage of Ownership (%)	Carrying Amount			
G&W TECHNOLOGY (BVI) LIMITED	G&W TECHNOLOGY LIMITED	Hong Kong	Leasing business	\$ 2,095 (US\$ 65)	\$ 2,095 (US\$ 65)	499,998	100.00	\$ 74,163	\$ 6,562	\$ -	Subsidiary
Lite-On Japan Ltd.	Lite-On Japan (H.K.) Limited	Hong Kong	Import and export of electronic components	15,099 (JPY 70,000)	15,099 (JPY 70,000)	50,000	100.00	15,099	10,919	-	Subsidiary (Note 7)
	LITE-ON JAPAN (Thailand) CO., LTD.	Thailand	Import and export of electronic components	14,019 (JPY 64,992)	14,019 (JPY 64,992)	199,998	100.00	14,019	(755)	-	Subsidiary (Note 7)
LITE-ON MOBILE PTE. LTD.	LITE-ON MOBILE INDÚSTRIA E COMÉRCIO DE PLÁSTICOS LTDA.	Brazil	Manufacture and sale of mobile phone modules and design of assembly lines	3,490,026 (US\$ 108,302)	3,490,026 (US\$ 108,302)	212,824,231	97.03	1,348,891	118,779	-	Subsidiary

Note 1: Information on net income or loss of investee has not been approved by its board of directors, so it is shown as an estimated amount. Refer to financial statements published on the market observation post system for the final amount of net income or loss.

Note 2: Liquidated in July 2023.

Note 3: The carrying amount has been reclassified as the disposal groups held for sale. Refer to Note 13 for further information.

Note 4: Established in August 2023.

Note 5: Liquidated in September 2023.

Note 6: Liquidated in March 2023.

Note 7: The share of profit of investments accounted for using the equity method and adjustment for changes in equities are recognized by the Group.

Note 8: Refer to Table 9 for information on investments in mainland China.

(Concluded)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(Amounts in Thousands of New Taiwan Dollars or Thousands of Foreign Currencies)

Investor Company	Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (Note 2)	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment of Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2023	Net Income (Losses) of the Investee Company (Note 2)	Percentage of Ownership	Share of Profits/Losses (Note 2)	Carrying Amount as of September 30, 2023 (Note 2)	Accumulated Inward Remittance of Earnings as of September 30, 2023	Note
						Outflow	Inflow							
LITE-ON TECHNOLOGY CORPORATION	LITE-ON COMPUTER TECHNOLOGY (DONGGUAN) CO., LTD.	Manufacture and sale of display device	\$ 528,490 (US\$ 16,400)	a	\$ 917,428 (US\$ 28,469)	\$ -	\$ -	\$ 917,428 (US\$ 28,469)	\$ -	100.00	\$ -	\$ -	\$ -	Note 3
	LITE-ON ELECTRONICS (TIANJIN) CO., LTD.	ODM services	2,239,638 (US\$ 69,500)	a	2,142,898 (US\$ 66,498)	-	-	2,142,898 (US\$ 66,498)	165,443	100.00	165,443	2,556,075	-	
	LITE-ON ELECTRONICS (DONGGUAN) CO., LTD.	Manufacture of electronic components	1,140,765 (US\$ 35,400)	a	1,140,765 (US\$ 35,400)	-	-	1,140,765 (US\$ 35,400)	222,749	100.00	222,749	3,169,529	-	
	SILITEK ELEC. (DONGGUAN) CO., LTD.	Manufacture and sale of keyboards	154,680 (US\$ 4,800)	a	154,680 (US\$ 4,800)	-	-	154,680 (US\$ 4,800)	320,762	100.00	320,762	4,899,454	-	Note 3
	LITE-ON ELECTRONICS (GUANGZHOU) LIMITED	Manufacture and sale of printers and scanners	1,220,361 (US\$ 37,870)	a	1,404,726 (US\$ 43,591)	-	-	1,404,726 (US\$ 43,591)	67,120	100.00	67,120	7,580,701	-	Notes 2 and 4
	CHINA BRIDGE (CHINA) CO., LTD.	Investment activities, consulting services and acting as a sales agent	966,750 (US\$ 30,000)	a	958,523 (US\$ 29,745)	-	-	958,523 (US\$ 29,745)	50,908	100.00	50,908	1,251,534	-	
	LITE-ON NETWORK COMMUNICATION (DONGGUAN) LIMITED	Manufacture and sale of IT products	1,431,309 (US\$ 44,416)	a	1,388,734 (US\$ 43,095)	-	-	1,388,734 (US\$ 43,095)	150,286	100.00	150,286	2,398,515	-	
	LITEON COMMUNICATION (GUANGZHOU) COMPANY LIMITED	Manufacture and sale of mobile terminal equipment	791,446 (US\$ 24,560)	a	791,446 (US\$ 24,560)	-	-	791,446 (US\$ 24,560)	-	100.00	-	-	-	Note 4
	LITE-ON TECHNOLOGY (GUANGZHOU) LIMITED	Manufacture and sale of computer case	1,069,870 (US\$ 33,200)	a	1,069,870 (US\$ 33,200)	-	-	1,069,870 (US\$ 33,200)	-	100.00	-	-	-	Note 4
	COMMIT Incorporated	Manufacture and sale of application software and multimedia product design	1,033,971 (US\$ 32,086)	a	19,335 (US\$ 600)	-	-	19,335 (US\$ 600)	-	1.87	-	-	-	
	LITEON ELECTRONICS AND WIRELESS (GUANGZHOU) LIMITED	Manufacture and sale of mobile terminal equipment	509,477 (US\$ 15,810)	a	509,477 (US\$ 15,810)	-	-	509,477 (US\$ 15,810)	-	100.00	-	-	-	Note 4
	LITE-ON (GUANGZHOU) PRECISION TOOLING LTD.	Manufacture and sale of modules	586,495 (US\$ 18,200)	a	393,145 (US\$ 12,200)	-	-	393,145 (US\$ 12,200)	-	100.00	-	-	-	Note 4
	LITEON LI SHIN TECHNOLOGY (GANZHOU) LTD.	Manufacture and sale of electronic components	386,700 (US\$ 12,000)	a	429,763 (US\$ 13,336)	-	-	429,763 (US\$ 13,336)	55,895	100.00	55,895	648,279	-	
	LITE-ON TECHNOLOGY (XIANNING) CO., LTD.	Manufacture and sale of electronic components	209,463 (US\$ 6,500)	a	209,463 (US\$ 6,500)	-	-	209,463 (US\$ 6,500)	34,962	100.00	34,962	469,626	-	
	LITE-ON TECHNOLOGY (JIANGSU) CO., LTD.	Investment activities, consulting services and acting as a sales agent	5,349,350 (US\$ 166,000)	a	5,349,350 (US\$ 166,000)	-	-	5,349,350 (US\$ 166,000)	744,450	100.00	744,450	10,146,658	-	
	LITE-ON TECHNOLOGY (GZ) INVESTMENT COMPANY LIMITED	Investment activities	2,578,000 (US\$ 80,000)	a	2,578,000 (US\$ 80,000)	-	-	2,578,000 (US\$ 80,000)	3,627	100.00	3,627	642,854	-	
	LITE-ON POWER TECHNOLOGY (DONGGUAN) CO., LTD.	Development, manufacture and sale of electronic components, power supplies and provision of technology consulting services	514,691 (US\$ 15,972)	a	514,691 (US\$ 15,972)	-	-	514,691 (US\$ 15,972)	190,678	100.00	190,678	892,251	-	
	CHANGZHOU LEOTEK NEW ENERGY TRADE LIMITED	Wholesale, import, export and installation of street lights, signal lights, scenery lights and new-type electronic components	32,225 (US\$ 1,000)	a	32,225 (US\$ 1,000)	-	-	32,225 (US\$ 1,000)	(7,661)	100.00	(7,661)	(67,424)	-	
	LITEON AUTOMOTIVE ELECTRONICS (GUANGZHOU) CO., LTD.	Manufacture of automotive components	1,385,675 (US\$ 43,000)	a	1,385,675 (US\$ 43,000)	-	-	1,385,675 (US\$ 43,000)	(24,491)	100.00	(24,491)	1,728,887	-	Note 5
	LiteON Auto Electric Technology (Guangzhou) Ltd.	Manufacture and sale of optical disc drives	64,450 (US\$ 2,000)	a	64,450 (US\$ 2,000)	-	-	64,450 (US\$ 2,000)	1,044	100.00	1,044	-	-	Note 5
	LITEON-IT OPTO TECH (BH) CO., LTD.	Manufacture and sale of optical disc drives	1,772,375 (US\$ 55,000)	a	1,772,375 (US\$ 55,000)	-	-	1,772,375 (US\$ 55,000)	39,205	100.00	39,205	2,177,444	-	
	Lite-On (Guangzhou) Automotive Electronics Limited	Manufacture, sale and processing of electronic products	199,795 (US\$ 6,200)	a	189,165 (US\$ 5,870)	-	-	189,165 (US\$ 5,870)	173,155	100.00	173,155	1,958,975	-	

(Continued)

Investor Company	Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (Note 2)	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment of Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2023	Net Income (Losses) of the Investee Company (Note 2)	Percentage of Ownership	Share of Profits/Losses (Note 2)	Carrying Amount as of September 30, 2023 (Note 2)	Accumulated Inward Remittance of Earnings as of September 30, 2023	Note
						Outflow	Inflow							
LITE-ON TECHNOLOGY CORPORATION	LITE-ON AUTOMOTIVE (WUXI) CO., LTD.	Manufacture, sale and processing of electronic products	\$ - (US\$ -)	a	\$ 161,125 (US\$ 5,000)	\$ -	\$ -	\$ 161,125 (US\$ 5,000)	\$ 4,214	-	\$ 4,214	\$ -	\$ -	Note 6
	HUIZHOU LI SHIN ELECTRONIC CO., LTD.	Manufacture of computer peripheral products	427,825 (US\$ 13,276)	a	207,593 (US\$ 6,442)	-	-	207,593 (US\$ 6,442)	66,111	100.00	66,111	825,009	-	
	LITE-ON TECHNOLOGY (SHANGHAI) CO., LTD.	Manufacture and sale of energy-saving equipment	2,287,975 (US\$ 71,000)	a	2,287,975 (US\$ 71,000)	-	-	2,287,975 (US\$ 71,000)	145,363	100.00	145,363	3,157,352	-	
	BEIJING LITE-ON MOBILE ELECTRONIC AND TELECOMMUNICATION COMPONENTS CO., LTD.	Manufacture and sale of mobile phone modules and design of assembly lines	515,600 (US\$ 16,000)	a	1,309,721 (US\$ 40,643)	-	-	1,309,721 (US\$ 40,643)	(37,871)	100.00	(37,871)	162,424	-	
	GUANGZHOU LITE-ON MOBILE ENGINEERING PLASTICS CO., LTD.	Manufacture and sale of mobile phone modules and design of assembly lines	630,643 (US\$ 19,570)	a	1,930,124 (US\$ 59,895)	-	-	1,930,124 (US\$ 59,895)	15,074	100.00	15,074	1,103,889	-	
	LITE-ON GREEN TECHNOLOGIES (NANJING) CORPORATION	Solar energy engineering	24,169 (US\$ 750)	a	24,155 (US\$ 750)	-	-	24,155 (US\$ 750)	(970)	100.00	(970)	(9,454)	-	
	Changzhou Binhui Thin Film Solar Greenhouse Co., Ltd.	Manufacture and sale of solar energy engineering	441,430 (CNY 100,000)	a	96,569 (US\$ 2,997)	-	-	96,569 (US\$ 2,997)	-	19.90	-	4,496	-	
	Epicrystal (Changzhou) Co., Ltd.	Design, manufacture and sale of light-emitting diode and related display	5,059,325 (US\$ 157,000)	a	870,075 (US\$ 27,000)	-	-	870,075 (US\$ 27,000)	(177,367)	19.74	(35,010)	880,854	-	
	DONGGUAN LITE-ON COMPUTER CO., LTD.	Manufacture and sale of computer hosts and components, keyboards, scanners, printers and mice	64,450 (US\$ 2,000)	a	64,450 (US\$ 2,000)	-	-	64,450 (US\$ 2,000)	781	100.00	781	60,901	-	
	NL (SHANGHAI) CO., LTD.	Import and export of electronic components	9,668 (US\$ 300)	a	99,832 (US\$ 3,098)	-	-	99,832 (US\$ 3,098)	(65)	100.00	(65)	7,691	-	Note 7
Philips & Lite-On Digital Solutions Corporation	Philips & Lite-On Digital Solutions (Shanghai) Co., Ltd.	Sale of optical disc drives	32,225 (US\$ 1,000)	a	32,225 (US\$ 1,000)	-	-	32,225 (US\$ 1,000)	(5,578)	100.00	(5,578)	390,725	-	

Investor Company	Accumulated Investment in Mainland China as of September 30, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
LITE-ON TECHNOLOGY CORPORATION	\$ 30,467,803 (US\$ 945,471)	\$ 40,304,613 (US\$ 1,250,725)	Note 8
Philips & Lite-On Digital Solutions Corporation	32,225 (US\$ 1,000)	32,225 (US\$ 1,000)	\$ 352,082 (Note 9)

Note 1: The way of investment in mainland China is as follows:

- Indirect investment in mainland China through holding companies.
- Direct investment in mainland China through the Company.

Note 2: The financial statements used as basis for calculating the investment amounts were not reviewed by the independent auditor except for Lite-On Electronics (Guangzhou) Co., Ltd.

Note 3: LITE-ON COMPUTER TECHNOLOGY (DONGGUAN) CO., LTD. merged with SILITEK ELEC. (DONGGUAN) CO., LTD. with SILITEK ELEC. (DONGGUAN) CO., LTD. as the surviving entity. Because the merging process was still underway, the change in the amount of investment in mainland China has not yet been registered with the Ministry of Economic Affairs.

Note 4: LITE-ON ELECTRONICS (GUANGZHOU) LIMITED merged with LITE-ON TECHNOLOGY (GUANGZHOU) LIMITED, LITE-ON (GUANGZHOU) PRECISION TOOLING LTD., LITEON COMMUNICATION (GUANGZHOU) COMPANY LIMITED, and LITEON ELECTRONICS AND WIRELESS (GUANGZHOU) LIMITED with the LITE-ON ELECTRONICS (GUANGZHOU) LIMITED as the surviving entity. Because the merging process was still underway, the change in the amount of investment in mainland China has not yet been registered with the Ministry of Economic Affairs.

Note 5: LiteON Auto Electric Technology (Guangzhou) Ltd. merged with LITEON AUTOMOTIVE ELECTRONICS (GUANGZHOU) CO., LTD., with LITEON AUTOMOTIVE ELECTRONICS (GUANGZHOU) CO., LTD. as the surviving entity. Because the merger process is still underway, the change in the amount of investment in mainland China has not yet been registered with the Ministry of Economic Affairs.

Note 6: Liquidated in September 2023.

Note 7: Investment profits or losses and adjustments for changes in equity investment were recognized by the Company.

Note 8: Under Order No. 11251027150 issued by the Ministry of Economic Affairs on June 26, 2023, the Company acquired a certification approved by the Industrial Development Bureau and valid from June 19, 2023 to June 18, 2026 of its status as operation headquarters. Thus, the Company has no limitation on the amount of investment in mainland China.

Note 9: Calculated based on 60% of Philips & Lite-On Digital Solutions Corporation's net worth.

(Concluded)

TABLE 10

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(Amounts in Thousands of New Taiwan Dollars)**

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transaction			
				Financial Statements Item	Amount	Terms	% of Consolidated Net Revenue or Total Assets (Note 3)
0	LITE-ON TECHNOLOGY CORPORATION	Philips & Lite-On Digital Solutions Corporation Philips & Lite-On Digital Solutions Corporation LITE-ON SINGAPORE PTE. LTD. LITE-ON TRADING USA, INC. LITE-ON TRADING USA, INC. LITE-ON VIETNAM CO., LTD. LITE-ON SINGAPORE PTE. LTD. LITE-ON SINGAPORE PTE. LTD. Lite-On Overseas Trading Co., Ltd. Lite-On Overseas Trading Co., Ltd.	a. a. a. a. a. a. a. a. a. a. a.	Sales Trade receivables Sales Sales Trade receivables Purchases Purchases Trade payables Purchases Trade payables	\$ 5,793,595 3,243,065 2,247,106 4,765,254 2,930,727 2,173,769 16,366,849 8,396,396 29,661,814 14,043,632	Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing	5 2 2 4 1 2 15 4 27 7
1	Philips & Lite-On Digital Solutions Corporation	Philips & Lite-On Digital Solutions USA, Inc.	a.	Sales	1,792,420	Cost-plus pricing	2
2	LITE-ON NETWORK COMMUNICATION (DONGGUAN) LIMITED	Lite-On Overseas Trading Co., Ltd.	c.	Sales	6,456,566	Cost-plus pricing	6
3	LITE-ON OPTO TECHNOLOGY (CHANGZHOU) CO., LTD.	LITE-ON SINGAPORE PTE. LTD.	c.	Sales	3,694,231	Cost-plus pricing	3
4	LITE-ON TECHNOLOGY (CHANGZHOU) CO., LTD.	LITE-ON SINGAPORE PTE. LTD. LITE-ON SINGAPORE PTE. LTD. Lite-On Overseas Trading Co., Ltd. Lite-On Overseas Trading Co., Ltd.	c. c. c. c.	Sales Trade receivables Sales Trade receivables	9,112,656 3,460,118 5,783,246 2,406,779	Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing	8 2 5 1
5	LITE-ON ELECTRONICS (DONGGUAN) CO., LTD.	Lite-On Overseas Trading Co., Ltd. Lite-On Overseas Trading Co., Ltd.	c. c.	Sales Trade receivables	8,880,350 3,685,629	Cost-plus pricing Cost-plus pricing	8 2
6	SILITEK ELEC. (DONGGUAN) CO., LTD.	Lite-On Overseas Trading Co., Ltd. Lite-On Overseas Trading Co., Ltd.	c. c.	Sales Trade receivables	5,628,358 2,974,062	Cost-plus pricing Cost-plus pricing	5 1
7	LITE-ON POWER TECHNOLOGY (DONGGUAN) CO., LTD.	LITE-ON SINGAPORE PTE. LTD.	c.	Sales	1,173,380	Cost-plus pricing	1
8	HUIZHOU LI SHIN ELECTRONIC CO., LTD.	Lite-On Overseas Trading Co., Ltd.	c.	Sales	1,255,634	Cost-plus pricing	1

(Continued)

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transaction			
				Financial Statements Item	Amount	Terms	% of Consolidated Net Revenue or Total Assets (Note 3)
9	LITE-ON ELECTRONICS (GUANGZHOU) LIMITED	Lite-On Overseas Trading Co., Ltd. Lite-On Overseas Trading Co., Ltd.	c. c.	Sales	\$ 6,624,428	Cost-plus pricing	6
				Trade receivables	3,248,026	Cost-plus pricing	2
10	LITEON-IT OPTO TECH (BH) CO., LTD.	Lite-On Overseas Trading Co., Ltd.	c.	Sales	3,754,737	Cost-plus pricing	3
11	Lite-On Electronics (Thailand) Co., Ltd.	LITE-ON SINGAPORE PTE. LTD.	c.	Sales	3,169,057	Cost-plus pricing	3
12	LITE-ON SINGAPORE PTE. LTD.	LITE-ON ELECTRONICS H.K. LIMITED	c.	Sales	1,160,706	Cost-plus pricing	1
		LITE-ON TRADING USA, INC.	c.	Sales	6,803,995	Cost-plus pricing	6
		LITE-ON TRADING USA, INC.	c.	Trade receivables	3,574,765	Cost-plus pricing	2
13	Lite-On Overseas Trading Co., Ltd.	LITE-ON NETWORK COMMUNICATION (DONGGUAN) LIMITED	c.	Sales	5,137,589	Cost-plus pricing	5
		LITE-ON TECHNOLOGY (CHANGZHOU) CO., LTD.	c.	Sales	7,416,271	Cost-plus pricing	7
		LITE-ON TECHNOLOGY (CHANGZHOU) CO., LTD.	c.	Trade receivables	3,777,572	Cost-plus pricing	2
		LITE-ON ELECTRONICS (DONGGUAN) CO., LTD.	c.	Sales	6,453,448	Cost-plus pricing	6
		SILITEK ELEC. (DONGGUAN) CO., LTD.	c.	Sales	3,996,369	Cost-plus pricing	4
		LITE-ON ELECTRONICS (GUANGZHOU) LIMITED	c.	Sales	4,448,558	Cost-plus pricing	4
		LITE-ON ELECTRONICS (GUANGZHOU) LIMITED	c.	Trade receivables	2,278,860	Cost-plus pricing	1
		LITEON-IT OPTO TECH (BH) CO., LTD.	c.	Sales	3,025,950	Cost-plus pricing	3
		LITE-ON VIETNAM CO., LTD.	c.	Sales	2,446,327	Cost-plus pricing	2
		LITE-ON SINGAPORE PTE. LTD.	c.	Sales	9,861,780	Cost-plus pricing	9
		LITE-ON SINGAPORE PTE. LTD.	c.	Trade receivables	5,147,116	Cost-plus pricing	3
14	Lite-On (Guangzhou) Automotive Electronics Limited	LITE-ON TECHNOLOGY (SHANGHAI) CO., LTD.	c.	Sales	2,164,534	Cost-plus pricing	2
		LITE-ON SINGAPORE PTE. LTD.	c.	Sales	2,687,920	Cost-plus pricing	2

Note 1: The Company and its subsidiaries are coded as follows:

- The Company is coded “0”.
- The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: Nature of relationship is as follows:

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

Note 3: The percentage calculation is based on the consolidated total operating revenues or total assets. For balance sheet items, each item’s period-end balance is shown as a percentage to consolidated total assets as of September 30, 2023. For profit or loss items, cumulative amounts are shown as a percentage to consolidated total operating revenue for the nine months ended September 30, 2023.

Note 4: The intercompany transactions have been eliminated upon consolidation.

Note 5: The above table only discloses each of the related-party transactions which amount to at least 1% of total revenue or total assets, while the reverse flow of transactions is not additionally disclosed.

(Concluded)