

**LITE-ON TECHNOLOGY CORPORATION
and Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 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 March 31, 2023 and 2022, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 13 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements were not reviewed. As of March 31, 2023 and 2022, the combined total assets of these non-significant subsidiaries were NT\$64,402,484 thousand and NT\$68,858,695 thousand, representing 34.96% and 37.02%, respectively, of the consolidated total assets; the combined total liabilities of these non-significant subsidiaries were NT\$12,263,168 thousand and NT\$14,765,103 thousand, representing 11.48% and 12.98%, respectively, of the consolidated total liabilities. For the three months ended March 31, 2023 and 2022, the amounts of the combined comprehensive income of these non-significant subsidiaries were NT\$398,733 thousand and NT\$1,996,825 thousand, representing 18.12% and 40.12% of the consolidated total comprehensive income, respectively. In addition, as disclosed in Note 14 to the consolidated financial statements, the total carrying amounts of the investments accounted for using the equity method were NT\$1,894,030 thousand and NT\$1,904,643 thousand as of March 31, 2023 and 2022, respectively. The share of loss of associates accounted for using the equity method was NT\$(2,745) thousand and NT\$(1,581) thousand for the three months ended March 31, 2023 and 2022, respectively. The amounts of the related equity-method investments as

well as the additional disclosures in Note 35 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 the 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 March 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the three 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 Shih-Ran Cheng

Deloitte & Touche
Taipei, Taiwan
Republic of China

April 27, 2023

Notice to Readers

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

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

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	March 31, 2023 (Reviewed)		December 31, 2022 (Audited)		March 31, 2022 (Reviewed)	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 77,674,551	42	\$ 91,065,529	46	\$ 68,517,225	37
Financial assets at fair value through profit or loss (Note 7)	8,838,567	5	2,799,938	1	7,630,388	4
Financial assets at amortized cost (Note 9)	-	-	-	-	3,210	-
Contract assets (Note 24)	464,841	-	484,791	-	585,370	-
Notes receivable, net (Note 11)	729,684	-	609,573	-	625,284	-
Trade receivables, net (Note 11)	30,422,894	17	38,127,682	19	38,098,764	20
Trade receivables from related parties (Note 31)	-	-	-	-	12,035	-
Other receivables (Note 11)	3,360,764	2	1,562,769	1	1,009,242	1
Other receivables from related parties (Note 31)	3,646	-	17,710	-	-	-
Inventories, net (Note 12)	25,366,149	14	27,747,465	14	31,307,062	17
Other current assets (Note 19)	<u>2,608,235</u>	<u>1</u>	<u>2,537,757</u>	<u>1</u>	<u>2,813,798</u>	<u>2</u>
Total current assets	<u>149,469,331</u>	<u>81</u>	<u>164,953,214</u>	<u>83</u>	<u>150,602,378</u>	<u>81</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss (Note 7)	1,523,915	1	1,462,668	1	1,114,359	1
Financial assets at fair value through other comprehensive income (Note 8)	2,085,088	1	1,985,324	1	2,088,578	1
Financial assets at amortized cost (Note 9)	656,622	-	465,790	-	291,604	-
Investments accounted for using the equity method (Note 14)	1,894,030	1	1,888,176	1	1,904,643	1
Property, plant and equipment, net (Notes 15 and 31)	18,657,141	10	19,078,678	10	19,313,388	10
Right-of-use assets, net (Note 16)	1,807,842	1	1,648,994	1	1,732,553	1
Investment properties, net (Note 17)	1,232,873	1	1,236,643	1	1,286,816	1
Intangible assets, net (Note 18)	3,677,615	2	3,692,521	2	3,667,019	2
Deferred tax assets	2,744,174	1	2,804,527	1	3,557,706	2
Refundable deposits	263,471	-	350,419	-	277,771	-
Net defined benefit assets (Note 22)	115,586	-	107,332	-	40,958	-
Other non-current assets (Note 19)	<u>106,813</u>	<u>-</u>	<u>107,451</u>	<u>-</u>	<u>103,765</u>	<u>-</u>
Total non-current assets	<u>34,765,170</u>	<u>19</u>	<u>34,828,523</u>	<u>17</u>	<u>35,379,160</u>	<u>19</u>
TOTAL	<u>\$ 184,234,501</u>	<u>100</u>	<u>\$ 199,781,737</u>	<u>100</u>	<u>\$ 185,981,538</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 20)	\$ 20,840,005	11	\$ 32,628,984	16	\$ 27,303,888	15
Financial liabilities at fair value through profit or loss (Note 7)	146,185	-	253,441	-	477,633	-
Contract liabilities (Note 24)	47,403	-	79,782	-	233	-
Notes payable	48	-	59	-	13	-
Trade payables	37,828,276	21	44,883,340	22	44,646,325	24
Trade payables to related parties (Note 31)	1,696	-	15,842	-	707	-
Other payables	30,042,224	16	22,630,490	11	26,245,897	14
Other payables to related parties (Note 31)	11,635	-	19,378	-	493	-
Current tax liabilities	6,127,494	3	5,609,887	3	7,471,418	4
Provisions (Note 21)	1,103,293	1	1,125,550	1	1,118,782	1
Lease liabilities (Note 16)	386,070	-	359,221	-	426,057	-
Advance received	<u>4,427,504</u>	<u>2</u>	<u>4,175,135</u>	<u>2</u>	<u>3,305,947</u>	<u>2</u>
Total current liabilities	<u>100,961,833</u>	<u>55</u>	<u>111,781,109</u>	<u>56</u>	<u>110,997,393</u>	<u>60</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 20)	3,000,000	2	3,000,000	2	-	-
Deferred tax liabilities	1,904,408	1	2,212,812	1	1,915,754	1
Lease liabilities (Note 16)	839,894	-	691,734	-	722,289	-
Guarantee deposits	<u>127,199</u>	<u>-</u>	<u>108,955</u>	<u>-</u>	<u>146,614</u>	<u>-</u>
Total non-current liabilities	<u>5,871,501</u>	<u>3</u>	<u>6,013,501</u>	<u>3</u>	<u>2,784,657</u>	<u>1</u>
Total liabilities	<u>106,833,334</u>	<u>58</u>	<u>117,794,610</u>	<u>59</u>	<u>113,782,050</u>	<u>61</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital						
Ordinary shares	<u>23,619,970</u>	<u>13</u>	<u>23,630,830</u>	<u>12</u>	<u>23,508,670</u>	<u>13</u>
Capital surplus	<u>22,756,394</u>	<u>12</u>	<u>22,706,153</u>	<u>11</u>	<u>21,932,661</u>	<u>12</u>
Retained earnings						
Legal reserve	16,780,649	9	16,780,649	8	15,613,679	8
Special reserve	3,214,551	2	3,214,551	2	5,940,218	3
Unappropriated earnings	<u>17,122,812</u>	<u>9</u>	<u>21,736,118</u>	<u>11</u>	<u>11,527,692</u>	<u>6</u>
Total retained earnings	<u>37,118,012</u>	<u>20</u>	<u>41,731,318</u>	<u>21</u>	<u>33,081,589</u>	<u>18</u>
Other equity	<u>(3,294,615)</u>	<u>(2)</u>	<u>(3,243,884)</u>	<u>(2)</u>	<u>(3,221,500)</u>	<u>(2)</u>
Treasury shares	<u>(3,445,820)</u>	<u>(2)</u>	<u>(3,468,412)</u>	<u>(2)</u>	<u>(3,700,808)</u>	<u>(2)</u>
Total equity attributable to owners of the Company	76,753,941	42	81,356,005	41	71,600,612	38
NON-CONTROLLING INTERESTS	<u>647,226</u>	<u>-</u>	<u>631,122</u>	<u>-</u>	<u>598,876</u>	<u>-</u>
Total equity	<u>77,401,167</u>	<u>42</u>	<u>81,987,127</u>	<u>41</u>	<u>72,199,488</u>	<u>39</u>
TOTAL	<u>\$ 184,234,501</u>	<u>100</u>	<u>\$ 199,781,737</u>	<u>100</u>	<u>\$ 185,981,538</u>	<u>100</u>

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

(With Deloitte & Touche review report dated April 27, 2023)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 31)				
Sales	\$ 34,557,056	101	\$ 42,149,777	102
Less: Sales allowance	282,414	1	830,075	2
Sales returns	<u>100,462</u>	<u>-</u>	<u>89,754</u>	<u>-</u>
Total operating revenue	<u>34,174,180</u>	<u>100</u>	<u>41,229,948</u>	<u>100</u>
COST OF GOODS SOLD (Notes 12, 25 and 31)	<u>(27,752,378)</u>	<u>(81)</u>	<u>(34,163,091)</u>	<u>(83)</u>
GROSS PROFIT	<u>6,421,802</u>	<u>19</u>	<u>7,066,857</u>	<u>17</u>
OPERATING EXPENSES (Notes 25 and 31)				
Selling and marketing expenses	(1,316,555)	(4)	(1,427,940)	(3)
General and administrative expenses	(1,093,090)	(3)	(1,036,664)	(3)
Research and development expenses	(1,865,574)	(5)	(1,619,297)	(4)
Expected credit gain (loss) reversed (Notes 11 and 24)	<u>6,967</u>	<u>-</u>	<u>(1,719)</u>	<u>-</u>
Total operating expenses	<u>(4,268,252)</u>	<u>(12)</u>	<u>(4,085,620)</u>	<u>(10)</u>
OPERATING INCOME	<u>2,153,550</u>	<u>6</u>	<u>2,981,237</u>	<u>7</u>
NON-OPERATING INCOME AND EXPENSES				
Share of loss of associates accounted for using the equity method	(2,745)	-	(1,581)	-
Interest income	603,219	2	147,606	-
Other income (Note 31)	237,762	1	143,260	-
Net gain on disposal of property, plant and equipment	3,344	-	5,553	-
Net gain (loss) on foreign currency exchange	408,125	1	(776,788)	(2)
Net gain on financial assets at fair value through profit or loss	14,897	-	208,673	1
Net gain on financial assets at fair value through profit or loss - structured products	34,553	-	83,357	-
Finance costs (Note 25)	(326,558)	(1)	(58,749)	-
Other expenses	<u>(151,561)</u>	<u>-</u>	<u>(75,701)</u>	<u>-</u>
Total non-operating income and expenses	<u>821,036</u>	<u>2</u>	<u>(324,370)</u>	<u>(1)</u>

(Continued)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
PROFIT BEFORE INCOME TAX	\$ 2,974,586	9	\$ 2,656,867	6
INCOME TAX EXPENSE (Note 26)	<u>(609,790)</u>	<u>(2)</u>	<u>(544,653)</u>	<u>(1)</u>
NET PROFIT FOR THE PERIOD	<u>2,364,796</u>	<u>7</u>	<u>2,112,214</u>	<u>5</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
(Notes 23 and 26)				
Items not reclassified subsequently to profit or loss:				
Share of other comprehensive gain of associates accounted for using the equity method	441	-	-	-
Unrealized gain on investments in equity instruments designated as at fair value through other comprehensive income	<u>63,694</u>	<u>-</u>	<u>9,213</u>	<u>-</u>
	<u>64,135</u>	<u>-</u>	<u>9,213</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(295,854)	(1)	3,493,527	8
Share of other comprehensive income of associates accounted for using the equity method	8,132	-	53,824	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>59,736</u>	<u>-</u>	<u>(691,407)</u>	<u>(2)</u>
	<u>(227,986)</u>	<u>(1)</u>	<u>2,855,944</u>	<u>7</u>
Other comprehensive (loss) income for the period, net of income tax	<u>(163,851)</u>	<u>-</u>	<u>2,865,157</u>	<u>7</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 2,200,945</u>	<u>6</u>	<u>\$ 4,977,371</u>	<u>12</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,352,973	7	\$ 2,103,750	5
Non-controlling interests	<u>11,823</u>	<u>-</u>	<u>8,464</u>	<u>-</u>
	<u>\$ 2,364,796</u>	<u>7</u>	<u>\$ 2,112,214</u>	<u>5</u>

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LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME (LOSS)				
ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,183,715	6	\$ 4,939,238	12
Non-controlling interests	<u>17,230</u>	<u>-</u>	<u>38,133</u>	<u>-</u>
	<u>\$ 2,200,945</u>	<u>6</u>	<u>\$ 4,977,371</u>	<u>12</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 27)				
Basic	<u>\$ 1.03</u>		<u>\$ 0.92</u>	
Diluted	<u>\$ 1.02</u>		<u>\$ 0.91</u>	

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

(With Deloitte & Touche review report dated April 27, 2023)

(Concluded)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company								Other Equity (Note 23)						
	Issue of Share Capital (Note 23)			Capital Surplus (Note 23)	Retained Earnings (Note 23)				Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Employees' Compensation	Total	Treasury Shares (Note 23)	Non-controlling Interests (Note 23)	Total Equity
	Shares (In Thousands)	Amount	Share Capital To Be Cancelled		Legal Reserve	Compensation	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															
Cash dividends	-	-	-	-	-	-	(5,776,013)	(5,776,013)	-	-	-	-	-	-	(5,776,013)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	28,284	28,284
Difference between subsidiaries' disposal of consideration and carrying amount	-	-	-	30,549	-	-	-	-	-	-	-	-	-	-	30,549
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	4,822	-	-	-	-	-	-	-	-	-	-	4,822
Changes in capital surplus from cash dividends of the Company paid to subsidiaries	-	-	-	60,948	-	-	-	-	-	-	-	-	-	-	60,948
Net profit for the three months ended March 31, 2022	-	-	-	-	-	-	2,103,750	2,103,750	-	-	-	-	-	8,464	2,112,214
Other comprehensive income for the three months ended March 31, 2022	-	-	-	-	-	-	-	-	2,826,275	9,213	-	2,835,488	-	29,669	2,865,157
Total comprehensive income for the three months ended March 31, 2022	-	-	-	-	-	-	2,103,750	2,103,750	2,826,275	9,213	-	2,835,488	-	38,133	4,977,371
BALANCE AT MARCH 31, 2022	2,350,867	\$ 23,508,670	\$ -	\$ 21,932,661	\$ 15,613,679	\$ 5,940,218	\$ 11,527,692	\$ 33,081,589	\$ (2,993,805)	\$ (227,695)	\$ -	\$ (3,221,500)	\$ (3,700,808)	\$ 598,876	\$ 72,199,488
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															
Cash dividends	-	-	-	-	-	-	(6,966,279)	(6,966,279)	-	-	-	-	-	-	(6,966,279)
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	25	-	-	-	-	-	-	-	-	-	-	25
Cancelled of treasury shares	(462)	(4,620)	-	(17,972)	-	-	-	-	-	-	-	-	22,592	-	-
Changes in capital surplus from cash dividends of the Company paid to subsidiaries	-	-	-	61,948	-	-	-	-	-	-	-	-	-	-	61,948
Disposal of subsidiaries	-	-	-	-	-	-	-	-	25,303	-	-	25,303	-	-	25,303
Share-based payment transaction	(624)	(5,280)	(960)	6,240	-	-	-	-	-	-	93,224	93,224	-	-	93,224
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,126)	(1,126)
Net profit for the three months ended March 31, 2023	-	-	-	-	-	-	2,352,973	2,352,973	-	-	-	-	-	11,823	2,364,796
Other comprehensive (loss) income for the three months ended March 31, 2023	-	-	-	-	-	-	-	-	(233,393)	64,135	-	(169,258)	-	5,407	(163,851)
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	-	-	2,352,973	2,352,973	(233,393)	64,135	-	(169,258)	-	17,230	2,200,945
BALANCE AT MARCH 31, 2023	2,361,997	\$ 23,620,930	\$ (960)	\$ 22,756,394	\$ 16,780,649	\$ 3,214,551	\$ 17,122,812	\$ 37,118,012	\$ (2,523,827)	\$ (240,330)	\$ (530,458)	\$ (3,294,615)	\$ (3,445,820)	\$ 647,226	\$ 77,401,167

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

(With Deloitte & Touche review report dated April 27, 2023)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,974,586	\$ 2,656,867
Adjustments for:		
Depreciation expenses	1,059,426	1,067,205
Amortization expenses	40,422	36,355
Expected credit (gain) loss	(6,967)	1,719
Net gain on fair value changes of financial assets and liabilities as at fair value through profit or loss	(49,450)	(292,030)
Finance costs	326,558	58,749
Interest income	(603,219)	(147,606)
Share of loss of associates accounted for using the equity method	2,745	1,581
Net gain on disposal of property, plant and equipment	(3,344)	(5,553)
Impairment loss recognized on non-financial assets	-	195,580
Impairment loss reversed on non-financial assets	(37,037)	-
Unrealized net (gain) loss on foreign currency exchange	(340,652)	854,753
Recognition (reversal) of provisions	14,189	(34)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	1,684,282	209,749
Contract assets	93,110	85,473
Notes receivable	(117,460)	(148,792)
Trade receivables	7,524,297	3,732,319
Trade receivables from related parties	-	104
Other receivables	(1,706,654)	(155,924)
Other receivables from related parties	14,064	3,265
Inventories	2,347,341	1,736,912
Other current assets	(50,525)	(162,938)
Contract liabilities	(32,379)	-
Notes payable	(11)	(32)
Trade payables	(6,863,527)	(3,407,184)
Trade payables to related parties	(14,146)	(37,635)
Other payables	938,918	(358,314)
Other payables to related parties	(7,743)	(1,212)
Provisions	(35,945)	(40,741)
Advance receipts	271,441	296,940
Net defined benefit assets	(8,254)	(5,131)
Cash generated from operations	7,414,066	6,174,445
Interest received	513,148	123,240
Interest paid	(400,333)	(54,679)
Income tax paid	(256,223)	(392,022)
Net cash generated from operating activities	7,270,658	5,850,984

(Continued)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (47,108)	\$ (27,647)
Purchases of financial assets at amortized cost	-	(2)
Purchase of financial assets at fair value through profit or loss	(8,748,521)	(13,107,120)
Proceeds from disposal of financial assets at fair value through profit or loss	923,118	7,834,277
Acquisition of property, plant and equipment	(821,783)	(1,048,623)
Proceeds from disposal of property, plant and equipment	3,739	8,105
Decrease in refundable deposits	88,695	8,355
Acquisition of intangible assets	(12,378)	(22,596)
Increase in other non-current assets	(29)	(5,603)
Net cash used in investing activities	<u>(8,614,267)</u>	<u>(6,360,854)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of short-term borrowings	(11,806,213)	(1,217,614)
Proceeds from guarantee deposits received	18,519	9,623
Repayments of the principal portion of lease liabilities	(123,000)	(109,530)
Proceeds from of partial interests in subsidiaries without a loss of control	-	54,840
Net cash used in financing activities	<u>(11,910,694)</u>	<u>(1,262,681)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>(136,675)</u>	<u>2,013,941</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(13,390,978)	241,390
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>\$ 77,674,551</u>	<u>\$ 68,517,225</u>

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

(With Deloitte & Touche review report dated April 27, 2023)

(Concluded)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

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, hereinafter 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 April 27, 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. 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
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Statement of compliance

The 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 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 of the Group. 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 13 and Table 7 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) Retirement benefits

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

2) Taxation

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2022 for the material accounting judgments and key sources of estimation uncertainty.

6. CASH AND CASH EQUIVALENTS

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	\$ 1,777	\$ 1,750	\$ 2,137
Checking accounts	555,892	1,075,010	682,152
Demand deposits	25,699,639	33,243,220	39,578,483
Time deposits	<u>51,417,243</u>	<u>56,745,549</u>	<u>28,254,453</u>
	<u>\$ 77,674,551</u>	<u>\$ 91,065,529</u>	<u>\$ 68,517,225</u>

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

	March 31, 2023	December 31, 2022	March 31, 2022
Demand deposits	0%-4.67%	0%-4.12%	0%-3.3%
Time deposits	0.4%-14.06%	0.4%-14.06%	0.06%-3.15%

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

	March 31, 2023	December 31, 2022	March 31, 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)	\$ 826,910	\$ 2,393,303	\$ 1,823,353
Currency swaps (a)	130,448	406,635	123,597
Hybrid financial assets			
Structured deposits (b)	<u>7,881,209</u>	<u>-</u>	<u>5,683,438</u>
	<u>\$ 8,838,567</u>	<u>\$ 2,799,938</u>	<u>\$ 7,630,388</u>

(Continued)

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial assets at FVTPL - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Foreign listed shares	\$ 627,038	\$ 556,171	\$ 811,237
Mutual funds	588,809	597,647	287,072
Domestic listed shares	11,942	10,045	16,050
Hybrid financial assets			
Foreign convertible preferred shares	<u>296,126</u>	<u>298,805</u>	<u>-</u>
	<u>\$ 1,523,915</u>	<u>\$ 1,462,668</u>	<u>\$ 1,114,359</u>

Financial liabilities at FVTPL - current

Financial liabilities held for trading			
Derivative financial instruments (not under hedge accounting)			
Forward exchange contracts (a)	\$ 146,185	\$ 248,584	\$ 52,618
Currency swaps (a)	<u>-</u>	<u>4,857</u>	<u>425,015</u>
	<u>\$ 146,185</u>	<u>\$ 253,441</u>	<u>\$ 477,633</u>

(Concluded)

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

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>March 31, 2023</u>			
The Company			
Forward exchange contracts	USD/NTD	2023.04.13-2024.03.29	USD1,098,000/NTD32,248,267
Currency swaps	USD/NTD	2023.04.10-2023.04.21	USD540,000/NTD16,521,810
LITE-ON SINGAPORE PTE. LTD.			
Forward exchange contracts	USD/NTD	2023.06.09-2023.12.21	USD336,000/CNY9,987,748
Forward exchange contracts	USD/INR	2023.04.06	USD13,000/INR1,076,082
Forward exchange contracts	USD/MXN	2023.04.13	USD10,000/MXN180,300
Forward exchange contracts	USD/CNY	2023.04.11	USD30,000/CNY205,626
<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>March 31, 2022</u>			
The Company			
Forward exchange contracts	USD/NTD	2022.04.19-2023.03.31	USD1,736,000/NTD47,168,151
Currency swaps	USD/NTD	2022.04.12-2022.07.11	USD940,000/NTD26,440,910
Lite-On Overseas Trading Co., Ltd.			
Forward exchange contracts	USD/CNY	2022.04.06-2022.09.06	USD163,000/CNY1,072,626
Forward exchange contracts	USD/INR	2022.05.12	USD4,000/INR302,800
Forward exchange contracts	USD/THB	2022.05.11	USD3,000/THB99,543
Currency swaps	USD/CNY	2022.04.29-2022.07.21	USD103,000/CNY669,309
LITE-ON SINGAPORE PTE. LTD.			
Forward exchange contracts	USD/NTD	2022.10.21-2022.10.31	USD40,000/NTD1,101,800
Forward exchange contracts	USD/INR	2022.04.08-2022.05.09	USD20,000/INR1,545,022
Forward exchange contracts	EUR/USD	2022.04.11-2022.05.09	EUR35,000/USD38,940
Forward exchange contracts	USD/CAD	2022.04.08	USD2,358/CAD3,000
Forward exchange contracts	USD/BRL	2022.04.29	USD3,000/BRL15,301
Forward exchange contracts	USD/MXN	2022.04.11	USD8,000/MXN165,680
Forward exchange contracts	USD/CNY	2022.06.07	USD20,000/CNY127,234
Currency swaps	USD/CNY	2022.05.10-2022.10.11	USD55,500/CNY358,914
Philip & Lite-On Digital Solutions Corporation			
Currency swaps	USD/NTD	2022.04.12	USD20,000/NTD553,760
			(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

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Non-current</u>			
Domestic investments			
Listed shares and emerging market shares	\$ 366,126	\$ 309,030	\$ 179,243
Listed Taiwan Innovation Board shares	423,474	421,780	-
Unlisted shares	<u>75,447</u>	<u>23,435</u>	<u>16,133</u>
	<u>865,047</u>	<u>754,245</u>	<u>195,376</u>
Foreign investments			
Unlisted shares	<u>1,220,041</u>	<u>1,231,079</u>	<u>1,893,202</u>
	<u>\$ 2,085,088</u>	<u>\$ 1,985,324</u>	<u>\$ 2,088,578</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

	March 31, 2023	December 31, 2022	March 31, 2022
Pledged deposits	\$ 466,059	\$ 465,790	\$ 294,814
Time deposits with original maturities of more than 1 year	<u>190,563</u>	<u>-</u>	<u>-</u>
	<u>\$ 656,622</u>	<u>\$ 465,790</u>	<u>\$ 294,814</u>
Current	\$ -	\$ -	\$ 3,210
Non-current	<u>656,622</u>	<u>465,790</u>	<u>291,604</u>
	<u>\$ 656,622</u>	<u>\$ 465,790</u>	<u>\$ 294,814</u>

- a. Refer to Note 10 for information related to credit risk management and impairment evaluation of financial assets at amortized cost.
- b. Refer to Note 32 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.

	March 31, 2023	December 31, 2022	March 31, 2022
<u>At amortized cost</u>			
Gross carrying amount	\$ 656,622	\$ 465,790	\$ 294,814
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
Amortization costs	<u>\$ 656,622</u>	<u>\$ 465,790</u>	<u>\$ 294,814</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 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

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Notes receivable</u>			
Notes receivable - operating	\$ <u>729,684</u>	\$ <u>609,573</u>	\$ <u>625,284</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 31,356,470	\$ 38,908,084	\$ 38,565,433
Allowance for impairment loss	<u>(933,576)</u>	<u>(780,402)</u>	<u>(466,669)</u>
	\$ <u>30,422,894</u>	\$ <u>38,127,682</u>	\$ <u>38,098,764</u>

a. Notes receivable

The aging of notes receivable was as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Not past due	\$ <u>729,684</u>	\$ <u>609,573</u>	\$ <u>625,284</u>

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

b. Trade receivables

The average credit period of 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 a provision 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:

March 31, 2023

	Not Past Due	Past Due Within 60 Days	Past Due 61 to 210 Days	Past Due 211 to 240 Days	Past Due over 240 Days	Total
Expected credit loss rate	0%	0.1%-5%	40%-80%	50%-100%	100%	
Gross carrying amount	\$ 30,009,124	\$ 360,808	\$ 245,963	\$ 1,838	\$ 738,737	\$ 31,356,470
Loss allowance	-	(1,883)	(192,037)	(919)	(738,737)	(933,576)
Amortized cost	<u>\$ 30,009,124</u>	<u>\$ 358,925</u>	<u>\$ 53,926</u>	<u>\$ 919</u>	<u>\$ -</u>	<u>\$ 30,422,894</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 240 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>

March 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 240 Days	Total
Expected credit loss rate	0%	0.1%-10%	40%-100%	50%-100%	100%	
Gross carrying amount	\$ 37,797,356	\$ 325,398	\$ 106,211	\$ 868	\$ 335,600	\$ 38,565,433
Loss allowance	-	(27,301)	(103,260)	(508)	(335,600)	(466,669)
Amortized cost	<u>\$ 37,797,356</u>	<u>\$ 298,097</u>	<u>\$ 2,951</u>	<u>\$ 360</u>	<u>\$ -</u>	<u>\$ 38,098,764</u>

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

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ 780,402	\$ 449,802
Expected credit loss	84,458	1,719
Transfers to loss allowance from contract assets	74,716	-
Foreign exchange translation	<u>(6,000)</u>	<u>15,148</u>
Balance at March 31	<u>\$ 933,576</u>	<u>\$ 466,669</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 that the credit risk of part of the other receivables for the three months ended March 31, 2023 had decreased significantly since initial recognition, and therefore reversed the lifetime expected credit loss of \$91,540 thousand.

12. INVENTORIES, NET

	March 31, 2023	December 31, 2022	March 31, 2022
Finished goods	\$ 14,105,595	\$ 15,790,041	\$ 15,403,203
Raw materials	8,527,815	9,510,424	12,614,392
Work in progress	2,630,085	2,366,517	3,062,792
Inventory in transit	99,701	79,418	226,675
Merchandise	<u>2,953</u>	<u>1,065</u>	<u>-</u>
	<u>\$ 25,366,149</u>	<u>\$ 27,747,465</u>	<u>\$ 31,307,062</u>

The costs of inventories recognized as cost of goods sold for the three months ended March 31, 2023 and 2022 were \$27,752,378 thousand and \$34,163,091 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2023 included a reduction of cost of goods sold amounting to \$37,037 thousand due to the Group's write-off of part of its inventories that had been impaired.

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2022 included an increase in the cost of goods sold amounting to \$195,580 thousand, due to a decrease in the inventory's net realizable value.

13. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

Investor	Investee	Main Business	% of Ownership			Remark
			March 31 2023	December 31, 2022	March 31 2022	
The Company	Lite-On Integrated Service Inc. Corporation	Information outsourcing and system integration	-	-	100.00	1), 8)
	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	56.56	1), 2)
	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	-
	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 line	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)

(Continued)

Investor	Investee	Main Business	% of Ownership			Remark
			March 31 2023	December 31, 2022	March 31 2022	
LEOTEK CORPORATION	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 device, 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)
	KBW-LEOTEK Jordan Private Shareholding Limited	Investment activities	49.00	49.00	49.00	1)
	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	-	1),4)
	LEOTEK ELECTRONICS USA LLC.	Sale of LED products	100.00	100.00	-	1), 5)
	Lite-On Capital Corporation	Manufacture and wholesale of electronic components and energy technology services	100.00	100.00	100.00	1)
	Lite-On Green Energy (HK) Limited	Investment activities	100.00	100.00	100.00	1)
Lite-On Green Technologies, Inc. (SINGAPORE) PTE. LTD.	Lite-On Technology (Europe) B.V.	Market research and after-sales services	46.00	46.00	46.00	1)
	LITE-ON GREEN ENERGY (SINGAPORE) PTE. LTD.	Investment activities	100.00	100.00	100.00	1)
	Lite-On Green Technologies B.V.	Solar energy engineering	100.00	100.00	100.00	1)
	Lite-On Green Energy B.V.	Investment activities	100.00	100.00	100.00	1)
	LITE-ON ELECTRONICS (TIANJIN) CO., LTD.	ODM services	100.00	100.00	100.00	1)
	LITE-ON NETWORK COMMUNICATION (DONGGUAN) LIMITED	Manufacture and sale of IT products	100.00	100.00	100.00	1)
	CHINA BRIDGE (CHINA) CO., LTD.	Investment activities and acting as a sales agent	100.00	100.00	100.00	1)
	LITE-ON ELECTRONICS (DONGGUAN) CO., LTD.	Manufacture of electronic components	100.00	100.00	100.00	1)
	SILITEK ELEC. (DONGGUAN) CO., LTD.	Manufacture and sale of keyboards	100.00	100.00	100.00	1)
	LITE-ON COMPUTER TECHNOLOGY (DONGGUAN) CO., LTD.	Manufacture and sale of display devices	100.00	100.00	100.00	1), 6)
CHINA BRIDGE (CHINA) CO., LTD.	LITE-ON OPTO TECHNOLOGY (CHANGZHOU) CO., LTD.	Development, manufacture of new-type electronic components and provision of technology consulting services, maintenance equipment and after-sales services	12.59	12.59	12.59	1)
	WUXI CHINA BRIDGE EXPRESS TRADING CO., LTD.	Express and sale of power supplies, printers, display devices and scanners	100.00	100.00	100.00	1)
	LITEON COMMUNICATION (GUANGZHOU) COMPANY LIMITED	Manufacture and sale of mobile terminal equipment	100.00	100.00	100.00	1), 3)
	LITE-ON ELECTRONICS (GUANGZHOU) LIMITED	Manufacture and sale of printers and scanners	100.00	100.00	100.00	-
	LITE-ON (GUANGZHOU) INFORTECH CO., LTD.	Information outsourcing	-	-	100.00	1), 7)
	LITEON ELECTRONICS AND WIRELESS (GUANGZHOU) LIMITED	Manufacture and sale of mobile terminal equipment	100.00	100.00	100.00	1), 3)
	LITE-ON (GUANGZHOU) PRECISION TOOLING LTD.	Manufacture and sale of modules	67.03	67.03	67.03	1), 3)
	LITE-ON TECHNOLOGY (GUANGZHOU) LIMITED	Manufacture and sale of computer cases	100.00	100.00	100.00	1), 3)
	LITE-ON TECHNOLOGY (JIANGSU) CO., LTD.	Investment activities and acting as a sales agent	100.00	100.00	100.00	1)
	LITE-ON TECHNOLOGY (GZ) INVESTMENT COMPANY LIMITED	Investment activities	100.00	100.00	100.00	1)
LITE-ON TECHNOLOGY (GZ) INVESTMENT COMPANY LIMITED	LITE-ON POWER TECHNOLOGY (DONGGUAN) CO., LTD.	Development, manufacture and sale of electronic components, power supplies and provision of technology consulting services	100.00	100.00	100.00	1)
	LITE-ON (GUANGZHOU) PRECISION TOOLING LTD.	Manufacture and sale of modules	32.97	32.97	32.97	1), 3)

(Continued)

Investor	Investee	Main Business	% of Ownership			Remark
			March 31 2023	December 31, 2022	March 31 2022	
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)
LITE-ON TECHNOLOGY (JIANGSU) CO., LTD.	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	-
	LEOTEK ELECTRONICS USA LLC	Sale of LED products	-	-	100.00	1), 5)
	POWER INNOVATIONS INTERNATIONAL, INC.	Development, design and manufacture of power controls and energy management	100.00	100.00	95.25	1), 9)
	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), 11)
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 sales 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)
	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	100.00	1)
	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
			March 31 2023	December 31, 2022	March 31 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	100.00	1)
	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 (Korea) Co., Ltd.	Import and export of electronic components	-	-	100.00	1), 10)
	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 Oyj	LITE-ON MOBILE INDÚSTRIA E COMÉRCIO DE PLÁSTICOS LTDA.	Manufacture and sale of mobile phone modules and design for assembly lines	-	-	2.97	1), 4)
LITE-ON MOBILE PTE. LTD.	GUANGZHOU LITE-ON MOBILE ENGINEERING PLASTICS CO., LTD.	Manufacture and sale of mobile phone modules and design for 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 for 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 for 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)

(Concluded)

Remark:

- 1) This is an immaterial subsidiary for which financial statements have not been reviewed by the Company's independent accountants.
 - 2) SKYLA CORPORATION issued new shares by transferring employees' compensation to capital in September 2022.
 - 3) Merged with LITE-ON ELECTRONICS (GUANGZHOU) LIMITED in 2013 and was under the procedures of statutory merger.
 - 4) In August 2022, the Group reorganized and transferred 2.97% of the shares held by Lite-On MOBILE PTE. LTD. to the Company.
 - 5) In July 2022, the Group reorganized and transferred the shares held by LITE-ON TECHNOLOGY USA, INC. to Leotek Corporation.
 - 6) Merged with SILITEK ELEC. (GUANGZHOU) CO., LTD. in November 2020 and was under the procedures of statutory merger.
 - 7) Merged with LITE-ON ELECTRONICS (GUANGZHOU) LIMITED in October 2021 and completed the deregistration process in July 2022.
 - 8) Obtained the dissolution and liquidation approval document in November 2022.
 - 9) Cancelled minority shares in July 2022.
 - 10) Liquidated in July 2022.
 - 11) Liquidated in March 2023.
- b. Subsidiaries excluded from the consolidated financial statements: None.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	March 31, 2023	December 31, 2022	March 31, 2022
Associates that are not individually material	<u>\$ 1,894,030</u>	<u>\$ 1,888,176</u>	<u>\$ 1,904,643</u>

Aggregate Information of Associates That Are Not Individually Material

	For the Three Months Ended March 31	
	2023	2022
The Group's share of:		
Loss for the period	\$ (2,745)	\$ (1,581)
Other comprehensive income for the period	<u>7,889</u>	<u>53,191</u>
Total comprehensive income for the period	<u>\$ 5,144</u>	<u>\$ 51,610</u>

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

Name of Associate	March 31, 2023	December 31, 2022	March 31, 2022
Silitech Technology Corporation	<u>\$ 403,325</u>	<u>\$ 387,520</u>	<u>\$ 390,447</u>

15. PROPERTY, PLANT AND EQUIPMENT, NET

	Freehold Land	Buildings	Machinery Equipment	Tooling Equipment	Transportation Equipment	Office Equipment	Other Equipment	Total
Cost								
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	-	4,278	91,628	1,509	-	10,536	396,774	504,725
Disposals	-	(34,942)	(194,169)	(334)	(1,792)	(24,330)	(17,113)	(272,680)
Reclassifications	-	5,705	146,489	32	-	10,326	(175,691)	(13,139)
Effects of foreign currency exchange differences	40	27,857	67,317	2,097	282	67	18,642	116,302
March 31, 2023	<u>\$ 2,813,810</u>	<u>\$ 20,169,983</u>	<u>\$ 27,869,909</u>	<u>\$ 1,457,199</u>	<u>\$ 32,683</u>	<u>\$ 2,165,392</u>	<u>\$ 5,539,048</u>	<u>\$ 60,048,024</u>
Accumulated depreciation								
January 1, 2023	\$ -	\$ 11,161,407	\$ 22,713,881	\$ 1,304,557	\$ 27,052	\$ 1,875,544	\$ 3,050,263	\$ 40,132,704
Additions	-	200,792	592,066	21,404	867	46,322	68,650	930,101
Disposals	-	(34,561)	(193,879)	(334)	(1,792)	(24,316)	(17,072)	(271,954)
Reclassifications	-	-	(1,439)	-	-	1,439	-	-
Effects of foreign currency exchange differences	-	24,141	55,945	1,864	142	757	14,057	96,906
March 31, 2023	<u>\$ -</u>	<u>\$ 11,351,779</u>	<u>\$ 23,166,574</u>	<u>\$ 1,327,491</u>	<u>\$ 26,269</u>	<u>\$ 1,899,746</u>	<u>\$ 3,115,898</u>	<u>\$ 40,887,757</u>
Accumulated impairment								
January 1, 2023	\$ -	\$ 11,780	\$ 391,008	\$ 5,551	\$ 45	\$ 2,548	\$ 90,502	\$ 501,434
Disposals	-	-	(290)	-	-	-	(41)	(331)
Effects of foreign currency exchange differences	-	35	797	14	-	7	1,170	2,023
March 31, 2023	<u>\$ -</u>	<u>\$ 11,815</u>	<u>\$ 391,515</u>	<u>\$ 5,565</u>	<u>\$ 45</u>	<u>\$ 2,555</u>	<u>\$ 91,631</u>	<u>\$ 503,126</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>
March 31, 2023, net	<u>\$ 2,813,810</u>	<u>\$ 8,806,389</u>	<u>\$ 4,311,820</u>	<u>\$ 124,143</u>	<u>\$ 6,369</u>	<u>\$ 263,091</u>	<u>\$ 2,331,519</u>	<u>\$ 18,657,141</u>
Cost								
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	-	17,046	152,918	9,110	234	39,089	772,547	990,944
Disposals	-	(117,279)	(166,104)	(42,846)	(1,478)	(22,966)	(42,048)	(392,721)
Reclassifications	-	123,281	404,190	9,223	175	4,854	(544,585)	(2,862)
Effects of foreign currency exchange differences	2,238	509,688	930,732	25,090	1,478	48,347	151,796	1,669,369
March 31, 2022	<u>\$ 2,812,156</u>	<u>\$ 20,079,687</u>	<u>\$ 27,185,599</u>	<u>\$ 1,397,859</u>	<u>\$ 35,211</u>	<u>\$ 2,138,978</u>	<u>\$ 5,103,680</u>	<u>\$ 58,748,170</u>

(Continued)

	Freehold Land	Buildings	Machinery Equipment	Tooling Equipment	Transportation Equipment	Office Equipment	Other Equipment	Total
<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	-	222,426	600,051	21,218	874	43,999	63,417	951,985
Disposals	-	(117,001)	(163,780)	(42,846)	(1,478)	(22,866)	(41,919)	(389,890)
Reclassifications	-	-	53	-	-	(53)	-	-
Effects of foreign currency exchange differences	-	327,811	760,117	22,060	1,049	40,221	101,359	1,252,617
March 31, 2022	<u>\$ -</u>	<u>\$ 10,663,948</u>	<u>\$ 22,090,518</u>	<u>\$ 1,268,416</u>	<u>\$ 28,364</u>	<u>\$ 1,801,137</u>	<u>\$ 3,000,298</u>	<u>\$ 38,852,681</u>
<u>Accumulated impairment</u>								
January 1, 2022	\$ -	\$ 12,956	\$ 445,347	\$ 5,690	\$ 44	\$ 2,528	\$ 89,319	\$ 555,884
Disposals	-	-	(277)	-	-	(2)	-	(279)
Effects of foreign currency exchange differences	-	503	16,375	192	2	88	9,336	26,496
March 31, 2022	<u>\$ -</u>	<u>\$ 13,459</u>	<u>\$ 461,445</u>	<u>\$ 5,882</u>	<u>\$ 46</u>	<u>\$ 2,614</u>	<u>\$ 98,655</u>	<u>\$ 582,101</u>
March 31, 2022, net	<u>\$ 2,812,156</u>	<u>\$ 9,402,280</u>	<u>\$ 4,633,636</u>	<u>\$ 118,561</u>	<u>\$ 6,801</u>	<u>\$ 335,227</u>	<u>\$ 2,004,727</u>	<u>\$ 19,313,388</u>

(Concluded)

There was no indication of impairment for the Group for the three months ended March 31, 2023 and 2022; therefore, no impairment assessment was carried out.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated 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

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Carrying amount</u>			
Land (including right to use land)	\$ 795,378	\$ 774,262	\$ 782,212
Buildings	939,588	791,650	844,647
Machinery	56,261	63,511	83,308
Transportation equipment	10,817	12,692	16,604
Other equipment	<u>5,798</u>	<u>6,879</u>	<u>5,782</u>
	<u>\$ 1,807,842</u>	<u>\$ 1,648,994</u>	<u>\$ 1,732,553</u>

	For the Three Months Ended March 31	
	2023	2022
Additions to right-of-use assets	<u>\$ 278,421</u>	<u>\$ 83,048</u>
Depreciation charge for right-of-use assets		
Land (including right to use land)	\$ 8,106	\$ 7,414
Buildings	103,390	90,104
Machinery	7,506	7,185
Transportation equipment	1,880	2,103
Other equipment	<u>1,090</u>	<u>765</u>
	<u>\$ 121,972</u>	<u>\$ 107,571</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant impairment of right-of-use assets during the three months ended March 31, 2023 and 2022.

b. Lease liabilities

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Carrying amounts</u>			
Current	<u>\$ 386,070</u>	<u>\$ 359,221</u>	<u>\$ 426,057</u>
Non-current	<u>\$ 839,894</u>	<u>\$ 691,734</u>	<u>\$ 722,289</u>

Range of discount rate for lease liabilities was as follows:

	March 31, 2023	December 31, 2022	March 31, 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	1.10%-3.54%	1.10%-3.54%	1.10%-3.54%
Office equipment	1.00%-4.08%	1.00%-4.08%	1.10%-4.08%
Transportation equipment	1.00%-3.35%	1.00%-3.35%	1.00%-3.35%

c. Other lease information

	For the Three Months Ended March 31	
	2023	2022
Expenses relating to short-term leases	<u>\$ 24,369</u>	<u>\$ 36,674</u>
Expenses relating to low-value asset leases	<u>\$ 52,052</u>	<u>\$ 51,796</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 34,351</u>	<u>\$ 34,487</u>
Total cash outflow for leases	<u>\$ 241,283</u>	<u>\$ 239,114</u>

17. INVESTMENT PROPERTIES, NET

	March 31, 2023	December 31, 2022	March 31, 2022
Completed investment properties	\$ 1,232,873	\$ 1,236,643	\$ 1,286,816

For the three months ended March 31, 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
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As evaluated by the management of the Group, there was no significant change in fair value as of March 31, 2023 and 2022 compared to December 31, 2022 and 2021.

18. 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	-	-	-	-	12,306	72	12,378
Disposals	-	-	-	-	(19,292)	(13,316)	(32,608)
Reclassification	-	-	-	-	13,223	(84)	13,139
Effect of foreign currency exchange differences	-	(5)	-	-	524	(130)	389
March 31, 2023	<u>\$ 15,040,431</u>	<u>\$ 92,600</u>	<u>\$ 2,695,878</u>	<u>\$ 163,819</u>	<u>\$ 1,707,758</u>	<u>\$ 1,240,673</u>	<u>\$ 20,941,159</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	-	3,414	-	-	34,524	2,484	40,422
Disposals	-	-	-	-	(19,281)	(13,316)	(32,597)
Reclassification	-	-	-	-	84	(84)	-
Effect of foreign currency exchange differences	-	-	-	-	390	(2)	388
March 31, 2023	<u>\$ 77,234</u>	<u>\$ 63,588</u>	<u>\$ 2,695,878</u>	<u>\$ 163,819</u>	<u>\$ 1,487,523</u>	<u>\$ 1,226,743</u>	<u>\$ 5,714,785</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	-	-	-	-	2	-	2
March 31, 2023	<u>\$ 11,538,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,695</u>	<u>\$ -</u>	<u>\$ 11,548,759</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>
March 31, 2023, net	<u>\$ 3,425,133</u>	<u>\$ 29,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209,540</u>	<u>\$ 13,930</u>	<u>\$ 3,677,615</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	-	-	-	-	22,596	-	22,596
Disposals	-	-	-	-	(918)	-	(918)
Reclassification	-	-	-	-	2,861	-	2,861
Effect of foreign currency exchange differences	-	9	-	-	6,456	4,077	10,542
March 31, 2022	<u>\$ 15,040,431</u>	<u>\$ 70,408</u>	<u>\$ 2,695,878</u>	<u>\$ 163,819</u>	<u>\$ 1,606,904</u>	<u>\$ 1,317,509</u>	<u>\$ 20,894,949</u>

(Continued)

	Goodwill	Patents	Patents Use Rights	Client Relationships	Software	Other Intangible Assets	Total
<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	-	1,587	-	-	32,834	1,934	36,355
Disposals	-	-	-	-	(918)	-	(918)
Effect of foreign currency exchange differences	-	-	-	-	4,746	3,508	8,254
March 31, 2022	<u>\$ 77,234</u>	<u>\$ 54,812</u>	<u>\$ 2,695,878</u>	<u>\$ 163,819</u>	<u>\$ 1,385,946</u>	<u>\$ 1,301,055</u>	<u>\$ 5,678,744</u>
<u>Accumulated impairment</u>							
January 1, 2022	\$ 11,538,064	\$ -	\$ -	\$ -	\$ 11,075	\$ -	\$ 11,549,139
Effect of foreign currency exchange differences	-	-	-	-	47	-	47
March 31, 2022	<u>\$ 11,538,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,122</u>	<u>\$ -</u>	<u>\$ 11,549,186</u>
March 31, 2022, net	<u>\$ 3,425,133</u>	<u>\$ 15,596</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209,836</u>	<u>\$ 16,454</u>	<u>\$ 3,667,019</u>

(Concluded)

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

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

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

	March 31, 2023	December 31, 2022	March 31, 2022
The 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>

19. OTHER ASSETS

	March 31, 2023	December 31, 2022	March 31, 2022
Prepayments	\$ 2,052,229	\$ 2,038,811	\$ 2,171,572
Offsets against business tax payable	362,867	277,253	460,544
Prepayments for leases	41,242	86,880	48,427
Others	<u>258,710</u>	<u>242,264</u>	<u>237,020</u>
	<u>\$ 2,715,048</u>	<u>\$ 2,645,208</u>	<u>\$ 2,917,563</u>
Current	\$ 2,608,235	\$ 2,537,757	\$ 2,813,798
Non-current	<u>106,813</u>	<u>107,451</u>	<u>103,765</u>
	<u>\$ 2,715,048</u>	<u>\$ 2,645,208</u>	<u>\$ 2,917,563</u>

20. BORROWINGS

a. Short-term borrowings

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>\$ 20,840,005</u>	<u>\$ 32,628,984</u>	<u>\$ 27,303,888</u>

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

	March 31, 2023	December 31, 2022	March 31, 2022
Line of credit borrowings	1.5%-5.66%	1.2%-5.4%	0.42%-5.55%

b. Long-term borrowings

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ _____</u>

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

	March 31, 2023	December 31, 2022	March 31, 2022
Line of credit borrowings	1.61%	1.49%	-

21. PROVISIONS

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Warranties	<u>\$ 1,103,293</u>	<u>\$ 1,125,550</u>	<u>\$ 1,118,782</u>

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ 1,125,550	\$ 1,152,812
Recognition (reversal) of provisions	14,189	(34)
Usage	(35,945)	(40,741)
Effect of foreign currency exchange differences	<u>(501)</u>	<u>6,745</u>
Balance at March 31	<u>\$ 1,103,293</u>	<u>\$ 1,118,782</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.

22. RETIREMENT BENEFIT PLANS

Employee benefits expense in respect of the Group's defined retirement benefit plans was \$5,460 thousand and \$5,882 thousand for the three months ended March 31, 2023 and 2022, respectively, and were calculated using the prior year's actuarially determined pension cost discount rate as of December 31, 2022 and 2021, respectively.

23. EQUITY

a. Share capital

Ordinary shares

	March 31, 2023	December 31, 2022	March 31, 2022
Number of shares authorized (in thousands)	3,500,000	3,500,000	3,500,000
Amount of shares authorized	\$ 35,000,000	\$ 35,000,000	\$ 35,000,000
Number of shares issued and fully paid (in thousands)	2,362,093	2,363,083	2,350,867
Amount of shares issued	\$ 23,620,930	\$ 23,630,830	\$ 23,508,670
Number of shares to be cancelled	\$ (960)	\$ -	\$ -

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 to be the record date of the issuance of new shares and the actual number of shares issued is 12,216 thousand. Refer to Note 28 for the information on RSAs.

For the three months ended March 31, 2023, the Group withdraw the issued 624 thousand new stocks with employee restricted stock awards (RSAs) for employees. The aforementioned withdrawal of issued new stocks with employee restricted stock awards (RSAs) for employees, 528 thousand shares were cancelled, the capital reduction has been approved by the Financial Supervisory Commission and the registration procedures were completed. Refer to Note 28 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 issuance of treasury stock cancelled was approved by the Financial Supervisory Commission and the registration procedures were completed. Refer to Note 23(f) for the information on treasury shares.

b. Capital surplus

	March 31, 2023	December 31, 2022	March 31, 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	3,441,356	3,442,029	3,471,812
Treasury share transactions	992,142	944,076	819,492
Changes in equity of associates	102,818	102,793	96,772
Changes in ownership interests in subsidiaries	86,927	86,927	36,704
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>628,687</u>	<u>622,447</u>	<u>-</u>
	<u>\$ 22,756,394</u>	<u>\$ 22,706,153</u>	<u>\$ 21,932,661</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 off-set losses at the close of each quarter in accordance with the Company Act. While distributing surplus earning, 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 distribute surplus earning in the form of cash, it shall be approved by a meeting of the board of directors; if such surplus earning is distributed in the form of new shares to be issued, it shall be approved by shareholders 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 shareholders 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 25(d) on compensation of employees and remuneration of directors.

The Company's dividend policy is designed to meet present and future development projects and takes into consideration the investment environment, funding requirements, international or domestic competitive conditions while simultaneously meeting shareholders' interests. When there is no cumulative loss, the Company shall set aside share dividends at no less than 70% of the net profit. The way to distribute dividends could be either through cash or shares, and cash dividends shall not be less than 90% of the total dividends.

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 appropriations of the quarterly earnings for 2022 and 2021, which were resolved by the Company's board of directors, were as follows:

	Fourth Quarter of 2022	Second Quarter of 2022
Board of directors in its 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

The above 2022 appropriations for cash dividends had been resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting to be held on May 17, 2023.

	Fourth Quarter of 2021	Second Quarter of 2021
Board of directors in its 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 above 2021 appropriations for cash dividends had been resolved by the Company's board of directors; the other proposed appropriations had been resolved by the shareholders in their meeting on May 20, 2022.

d. Other equity items

Movements in other equity items were as follows:

For the Three Months Ended March 31, 2023				
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) from Financial Assets at FVTOCI	Unearned Employees' Compensation	Total
Balance at January 1	\$ (2,315,737)	\$ (304,465)	\$ (623,682)	\$ (3,243,884)
Exchange differences on translation of the financial statements of foreign operations	(301,261)	-	-	(301,261)
Unrealized gain on equity instruments designated as at FVTOCI	-	63,694	-	63,694
Share of associates accounted for using the equity method	8,132	441	-	8,573
Disposal of subsidiaries	25,303	-	-	25,303
Recognition of share-based payment expense	-	-	93,224	93,224
Income tax effect	<u>59,736</u>	<u>-</u>	<u>-</u>	<u>59,736</u>
Balance at March 31	<u>\$ (2,523,827)</u>	<u>\$ (240,330)</u>	<u>\$ (530,458)</u>	<u>\$ (3,294,615)</u>

For the Three Months Ended March 31, 2022			
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) from Financial Assets at FVTOCI	Total
Balance at January 1	\$ (5,820,080)	\$ (236,908)	\$ (6,056,988)
Exchange differences on translation of the financial statements of foreign operations	3,463,858	-	3,463,858
Unrealized gain on equity instruments designated as at FVTOCI	-	9,213	9,213
Share of associates accounted for using the equity method	53,824	-	53,824
Income tax effect	<u>(691,407)</u>	<u>-</u>	<u>(691,407)</u>
Balance at March 31	<u>\$ (2,993,805)</u>	<u>\$ (227,695)</u>	<u>\$ (3,221,500)</u>

e. Non-controlling interests

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ 631,122	\$ 532,459
Attributable to non-controlling interests:		
Share of net profit for the period	11,823	8,464
Exchange differences on translation foreign entities	5,407	29,669
Changes in non-controlling interests	<u>(1,126)</u>	<u>28,284</u>
Balance at March 31	<u>\$ 647,226</u>	<u>\$ 598,876</u>

f. Treasury shares

	Unit: In Thousands of Shares			
Purpose of Buyback	Number of Shares at January 1	Increase During the Period	Decrease During the Period	Number of Shares at March 31
For the three months ended <u>March 31, 2023</u>				
Shares held by its subsidiaries	22,120	-	-	22,120
Buyback of dissenting shareholders' shares in accordance with the Business Mergers and Acquisitions Act	462	-	(462)	-
Shares transferred 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>
For the three months ended <u>March 31, 2022</u>				
Shares held by its subsidiaries	26,841	-	-	26,841
Buyback of dissenting shareholders' shares in accordance with the Business Mergers and Acquisitions Act	462	-	-	462
Shares transferred to employees	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
	<u>67,303</u>	<u>-</u>	<u>-</u>	<u>67,303</u>

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>March 31, 2023</u>			
Lite-On Capital Corporation	15,116	\$ 718,857	\$ 1,107,993
TITANIC CAPITAL SERVICES LTD.	7,004	<u>297,469</u>	<u>513,409</u>
		<u>\$ 1,016,326</u>	<u>\$ 1,621,402</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>March 31, 2022</u>			
Lite-On Capital Corporation	15,116	\$ 718,857	\$ 1,029,391
TITANIC CAPITAL SERVICES LTD.	7,004	297,469	476,987
YET FOUNDATE LIMITED	2,271	126,881	154,658
LITE-ON ELECTRONICS COMPANY LIMITED	2,450	<u>105,515</u>	<u>166,870</u>
		<u>\$ 1,248,722</u>	<u>\$ 1,827,906</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.

24. REVENUE

	For the Three Months Ended March 31	
	2023	2022
Revenue from contracts with customers		
Revenue from the sale of goods	\$ 34,143,758	\$ 41,198,110
Rental income from property	<u>30,422</u>	<u>31,838</u>
	<u>\$ 34,174,180</u>	<u>\$ 41,229,948</u>

a. Contract balances

	March 31, 2023	December 31, 2022	March 31, 2022	January 1, 2022
Trade receivables (Note 11)	<u>\$ 30,422,894</u>	<u>\$ 38,127,682</u>	<u>\$ 38,098,764</u>	<u>\$ 41,245,921</u>
Contract assets - current				
Sale of goods	<u>\$ 464,841</u>	<u>\$ 484,791</u>	<u>\$ 585,370</u>	<u>\$ 654,423</u>
Contract liabilities				
Sale of goods	<u>\$ 47,403</u>	<u>\$ 79,782</u>	<u>\$ 233</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.

	March 31, 2023	December 31, 2022	March 31, 2022
Gross carrying amount	\$ 1,219,917	\$ 1,321,763	\$ 1,604,163
Allowance for impairment loss (lifetime ECLs)	<u>(755,076)</u>	<u>(836,972)</u>	<u>(1,018,793)</u>
	<u>\$ 464,841</u>	<u>\$ 484,791</u>	<u>\$ 585,370</u>

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

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ 836,972	\$ 984,873
Add: Net remeasurement of loss allowance	115	-
Loss: Transfer of loss allowance for trade receivables	(74,716)	-
Foreign exchanges gain and losses	<u>(7,295)</u>	<u>33,920</u>
Balance at December 31	<u>\$ 755,076</u>	<u>\$ 1,018,793</u>

The Group recognized revenue from the beginning balance of contract liability, which amounted to \$4,168 thousand and \$98 thousand for the three months ended March 31, 2023 and 2022, respectively.

b. Disaggregation of revenue

Refer to Note 36 for segment revenue information.

25. ADDITIONAL INFORMATION ON EXPENSES

		For the Three Months Ended March 31	
		2023	2022
a.	Finance costs		
	Interest on borrowings	\$ 319,047	\$ 52,122
	Interest on lease liabilities	<u>7,511</u>	<u>6,627</u>
		<u>\$ 326,558</u>	<u>\$ 58,749</u>
b.	Depreciation and amortization		
	Property, plant and equipment	\$ 930,101	\$ 951,985
	Right-of-use assets	121,972	107,571
	Intangible assets	40,422	36,355
	Investment properties	<u>7,353</u>	<u>7,649</u>
		<u>\$ 1,099,848</u>	<u>\$ 1,103,560</u>
	An analysis of depreciation by function		
	Recognized in operating costs	\$ 759,156	\$ 799,486
	Recognized in operating expenses	<u>300,270</u>	<u>267,719</u>
		<u>\$ 1,059,426</u>	<u>\$ 1,067,205</u>
	An analysis of amortization by function		
	Recognized in operating costs	\$ 3,194	\$ 3,897
	Recognized in operating expenses	<u>37,228</u>	<u>32,458</u>
		<u>\$ 40,422</u>	<u>\$ 36,355</u>
c.	Employee benefit expenses		
	Post-employment benefits		
	Defined contribution plans	\$ 140,913	\$ 141,504
	Defined benefit plans (Note 22)	<u>5,460</u>	<u>5,882</u>
		146,373	147,386
	Share-based payment - equity-settled	93,224	-
	Termination benefits	20,026	37,425
	Other employee benefits	<u>4,757,649</u>	<u>5,106,385</u>
		<u>\$ 5,017,272</u>	<u>\$ 5,291,196</u>
	Employee benefits expense summarized by function		
	Recognized in operating costs	\$ 2,544,994	\$ 3,105,635
	Recognized in operating expenses	<u>2,472,278</u>	<u>2,185,561</u>
		<u>\$ 5,017,272</u>	<u>\$ 5,291,196</u>

d. 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 ended March 31, 2023 and 2022, the employees' compensation and the remuneration of directors were as follows:

	For the Three Months Ended March 31	
	2023	2022
Compensation of employees	<u>\$ 320,240</u>	<u>\$ 286,320</u>
Remuneration of directors	<u>\$ 32,706</u>	<u>\$ 29,242</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, are as follows:

	For the Year Ended December 31			
	2022		2021	
	Cash Dividends	Share Dividends	Cash Dividends	Share Dividends
Compensation of employees	\$ 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.

26. INCOME TAX

a. Income tax recognized in profit or loss

Major components of tax expense were as follows:

	For the Three Months Ended March 31	
	2023	2022
Current income tax expense	\$ 798,281	\$ 499,621
Deferred income tax expense	<u>(188,491)</u>	<u>45,032</u>
Income tax expense recognized in profit or loss	<u>\$ 609,790</u>	<u>\$ 544,653</u>

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

	For the Three Months Ended March 31	
	2023	2022
<u>Deferred tax</u>		
In respect of the current period:		
Translation of foreign operations	<u>\$ (59,736)</u>	<u>\$ 691,407</u>

- c. Income tax assessments

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

27. EARNINGS PER SHARE

	Unit: NT\$ Per Share	
	For the Three Months Ended March 31	
	2023	2022
Basic earnings per share	<u>\$ 1.03</u>	<u>\$ 0.92</u>
Diluted earnings per share	<u>\$ 1.02</u>	<u>\$ 0.91</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 March 31	
	2023	2022
Earnings used in the computation of basic earnings per share	\$ 2,352,973	\$ 2,103,750
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u> -</u>	<u> -</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 2,352,973</u>	<u>\$ 2,103,750</u>

Weighted Average Number of Ordinary Shares Outstanding

	Unit: In Thousands of Shares	
	For the Three Months Ended March 31	
	2023	2022
Weighted average number of ordinary shares outstanding used in computation of basic earnings per share	2,288,285	2,283,564
Effect of potentially dilutive ordinary shares:		
Compensation of employees	19,871	22,975
Employee restricted shares	<u>840</u>	<u>-</u>
Weighted average number of ordinary shares outstanding used in computation of dilutive earnings per share	<u>2,308,996</u>	<u>2,306,539</u>

If the Company settles the bonuses or remuneration paid to employees in cash or shares, the Company presumed that the entire amount of the bonus or remuneration would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

28. 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 on September 20, 2022 and the Company's board of directors authorized the Chairman to determine that November 15, 2022 to be the record date of the issuance of new shares.

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 Three Months Ended March 31, 2023
Balance, beginning of period	12,216
Withdrawal (failure amount) (Note)	<u>(624)</u>
Balance, end of period	<u>11,592</u>
Weighted-average fair value of RSAs granted in the year of 2022 (in dollars)	<u>\$ 67.73</u>

Note: capital reduction of 96,000 shares has not been processed.

The 2022 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 25 for the employee compensation costs of the RSAs recognized by the Company.

29. 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.

30. 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 costs, 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

March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	\$ -	\$ 957,358	\$ -	\$ 957,358
Mutual funds	-	588,809	-	588,809
Foreign listed shares	627,038	-	-	627,038
Domestic listed shares	11,942	-	-	11,942
Structured deposits	-	7,881,209	-	7,881,209
Foreign convertible preference shares	-	-	296,126	296,126
	<u>\$ 638,980</u>	<u>\$ 9,427,376</u>	<u>\$ 296,126</u>	<u>\$ 10,362,482</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Foreign unlisted shares	\$ -	\$ -	\$ 1,220,041	\$ 1,220,041
Domestic listed shares and emerging market shares	366,126	-	-	366,126
Domestic innovation board listed shares	423,474	-	-	423,474
Domestic unlisted shares	-	-	75,447	75,447
	<u>\$ 789,600</u>	<u>\$ -</u>	<u>\$ 1,295,488</u>	<u>\$ 2,085,088</u>
Financial liabilities at FVTPL				
Derivative instruments	<u>\$ -</u>	<u>\$ 146,185</u>	<u>\$ -</u>	<u>\$ 146,185</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 preference shares	-	-	298,805	298,805
	<u>\$ 566,216</u>	<u>\$ 3,397,585</u>	<u>\$ 298,805</u>	<u>\$ 4,262,606</u>
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>

March 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	\$ -	\$ 1,946,950	\$ -	\$ 1,946,950
Mutual funds	-	287,072	-	287,072
Foreign listed shares	811,237	-	-	811,237
Domestic listed shares	16,050	-	-	16,050
Structured deposits	-	5,683,438	-	5,683,438
	<u>\$ 827,287</u>	<u>\$ 7,917,460</u>	<u>\$ -</u>	<u>\$ 8,744,747</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Foreign unlisted shares	\$ -	\$ -	\$ 1,893,202	\$ 1,893,202
Domestic listed shares	179,243	-	-	179,243
Domestic unlisted shares	-	-	16,133	16,133
	<u>\$ 179,243</u>	<u>\$ -</u>	<u>\$ 1,909,335</u>	<u>\$ 2,088,578</u>
Financial liabilities at FVTPL				
Derivative instruments	<u>\$ -</u>	<u>\$ 477,633</u>	<u>\$ -</u>	<u>\$ 477,633</u>

There were no transfers between Levels 1 and 2 for the three months ended March 31, 2023 and 2022.

There were transfers between Levels 3 and 2 for the year 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 three months ended March 31, 2023 and 2022 were as follows:

	For the three Months Ended March 31	
	2023	2022
Balance, beginning of period	\$ 1,553,319	\$ 1,826,985
Total gains or losses		
Recognized in profit or (loss)	(2,679)	-
Recognized in other comprehensive income or (loss)	(6,134)	54,703
Addition	<u>47,108</u>	<u>27,647</u>
Balance, end of period	<u>\$ 1,591,614</u>	<u>\$ 1,909,335</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.
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.
Structured deposits	The fair value is measured based on the amount provided by the counterparty.

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

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 10,362,482	\$ 4,262,606	\$ 8,744,747
Financial assets at amortized costs (1)	113,111,632	132,199,472	108,835,135
Investment in equity instruments at FVTOCI	2,085,088	1,985,324	2,088,578
<u>Financial liabilities</u>			
FVTPL			
Held for trading	146,185	253,441	477,633
Amortized cost			
Short-term borrowings	20,840,005	32,628,984	27,303,888
Payables (2)	68,011,078	67,658,064	71,040,049
Long-term borrowings	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 on the exports.

There were no changes 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's 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 34.

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 New Taiwan dollars (i.e., the 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 dollar. 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 Three Months Ended	
	March 31	
	2023	2022
Profit or loss	<u>\$ 956,900</u>	<u>\$ 940,321</u>

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:

	March 31, 2023	December 31, 2022	March 31, 2022
Fair value interest rate risk			
Financial assets (i)	\$ 51,847,331	\$ 56,984,806	\$ 28,319,535
Financial liabilities (ii)	22,065,969	31,679,939	28,452,234
Cash flow interest rate risk			
Financial assets (iii)	33,807,382	33,469,753	39,808,215
Financial liabilities (iv)	3,000,000	5,000,000	-

- 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 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 analysis below was 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 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 three months ended March 31, 2023 and 2022 would have increased by \$19,255 thousand and \$24,880 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 trading purposes. The Group does not actively trade these investments.

Sensitivity analysis

The sensitivity analysis below was 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 three months ended March 31, 2023 and 2022 would have increased by \$63,898 thousand and \$82,729 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL. The pre-tax other comprehensive income for the three months ended March 31, 2023 and 2022 would have increased by \$78,960 thousand and increase \$17,924 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 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 Department of 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, the department is required to maintain operating cash and cash equivalents, 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:

March 31, 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	-	\$ 67,883,879	\$ 127,199	\$ -	\$ -
Lease liabilities	1.00%-9.20%	467,916	480,068	232,485	129,167
Floating interest rate liabilities	1.61%	-	3,117,508	-	-
Fixed interest rate liabilities	1.50%-5.66%	20,931,591	-	-	-
		<u>\$ 89,283,386</u>	<u>\$ 3,724,775</u>	<u>\$ 232,485</u>	<u>\$ 129,167</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>

March 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	-	\$ 70,893,435	\$ 146,614	\$ -	\$ -
Lease liabilities	1.00%-9.20%	444,437	514,656	137,186	132,811
Fixed interest rate liabilities	0.42%-5.55%	27,324,198	-	-	-
		<u>\$ 98,662,070</u>	<u>\$ 661,270</u>	<u>\$ 137,186</u>	<u>\$ 132,811</u>

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

March 31, 2023

	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
Forward exchange contracts				
Inflows	\$ 45,200,033	\$ -	\$ -	\$ -
Outflows	<u>(43,842,755)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,357,278</u>	<u>-</u>	<u>-</u>	<u>-</u>
Currency swaps				
Inflows	16,521,810	-	-	-
Outflows	<u>(16,579,600)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(57,790)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,299,488</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>

March 31, 2022

	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
Forward exchange contracts				
Inflows	\$ 58,449,507	\$ -	\$ -	\$ -
Outflows	<u>(55,770,769)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,678,738</u>	<u>-</u>	<u>-</u>	<u>-</u>
Currency swaps				
Inflows	31,082,823	-	-	-
Outflows	<u>(31,008,588)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>74,235</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,752,973</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Group and its subsidiaries, which were related parties of the Group, had been eliminated on 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

<u>Related Party</u>	<u>Relationships with the Group</u>
L&K Industries Philippines, Inc.	Associate (non-related party since December 2022)
Silitech Technology Corporation	Associate
Silport Technology Corp.	Related party in substance
Lite-On Cultural Foundation	Related party in substance

b. Sales of goods

<u>Related Party Category</u>	<u>For the Three Months Ended March 31</u>	
	<u>2023</u>	<u>2022</u>
Associate	\$ -	\$ 7,729
Related party in substance	<u>100</u>	<u>177</u>
	<u>\$ 100</u>	<u>\$ 7,906</u>

The sales terms between the Group and its related parties did not have material difference 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 did not have material difference as those between the Group and non-related parties.

c. Purchases of goods

<u>Related Party Category</u>	<u>For the Three Months Ended March 31</u>	
	<u>2023</u>	<u>2022</u>
Associate	<u>\$ 1,139</u>	<u>\$ 404</u>

The purchase terms between the Group and its related parties did not have material difference as those between the Group and non-related parties.

d. Receivables from related parties

Related Party Category	March 31, 2023	December 31, 2022	March 31, 2022
Trade receivables			
Associate	\$ -	\$ -	\$ 11,954
Related party in substance	<u>-</u>	<u>-</u>	<u>81</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,035</u>
Other receivables			
Associate	<u>\$ 3,646</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 three months ended March 31, 2023 and 2022.

e. Payables to related parties

Related Party Category	March 31, 2023	December 31, 2022	March 31, 2022
Trade payables			
Associate	<u>\$ 1,696</u>	<u>\$ 15,842</u>	<u>\$ 707</u>
Other payables			
Associate	\$ 759	\$ 18,469	\$ 17
Related party in substance	<u>10,876</u>	<u>909</u>	<u>476</u>
	<u>\$ 11,635</u>	<u>\$ 19,378</u>	<u>\$ 493</u>

The outstanding trade payables to related parties are unsecured.

f. Operating expenses

Related Party Category	For the Three Months Ended March 31	
	2023	2022
Related party in substance	<u>\$ 10,180</u>	<u>\$ 10,026</u>

The Group recognized associated donation expenses of \$10,000 thousand for the three months ended March 31, 2023, and recognized and paid associated donation expenses of \$10,000 thousand for the three months ended March 31, 2022, to help Lite-On Cultural Foundation, a related party in substance, facilitate communal, cultural and educational projects.

g. Other revenue

Related Party Category	For the Three Months Ended March 31	
	2023	2022
Related party in substance	<u>\$ 7</u>	<u>\$ 6</u>

h. Acquisition of property, plant and equipment

Related Party Category	Purchase Price	
	For the Three Months Ended	
	March 31	
	2023	2022
Related party in substance	\$ <u>87</u>	\$ <u>-</u>

i. Remuneration of key management personnel

	For the Three Months Ended	
	March 31	
	2023	2022
Short-term employee benefits	\$ 75,691	\$ 76,346
Post-employment benefits	356	358
Share-based payment	<u>49,070</u>	<u>-</u>
	<u>\$ 125,117</u>	<u>\$ 76,704</u>

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

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

	March 31, 2023	December 31, 2022	March 31, 2022
Pledged time deposits (classified as financial assets at amortized costs)	<u>\$ 466,059</u>	<u>\$ 465,790</u>	<u>\$ 294,814</u>

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

33. SIGNIFICANT CONTINGENT LIABILITIES

In addition to those disclosed in other notes, significant contingencies of the Group at March 31, 2023 were as follows:

- a. 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. Since the Group's infringing product chips alleged by Nitride Semiconductors Co., Ltd. were supplied by the chip supplier, the supplier has retained an external lawyer to appropriately handle the litigation. There was no material impact on the operations and financial performance of the Group at the time of evaluation.

- b. 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. Since the Group's infringing product chips alleged by Sensor Electronic Technology, Inc. were supplied by the chip supplier, the supplier has retained an external lawyer to appropriately handle the litigation. There was no material impact on the operation and financial performance of the Group at the time of evaluation.

The Company and Genesis Photonics Inc. also hired external lawyers on September 17, 2021 to submit a counterclaim against Sensor Electronic Technology, Inc., to protect the Group's intellectual property rights.

- c. Nitek, Inc. sued the Company, 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. Since the Group's infringing product chips alleged by Nitek, Inc. were supplied by the chip supplier, the supplier has retained an external lawyer to appropriately handle the litigation. There was no material impact on the operation and financial performance of the Group at the time of evaluation.

34. 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 respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

March 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,116,175	6.8586 (USD:CNY)	\$ 33,926,130
USD	876,042	30.3950 (USD:NTD)	26,627,308
USD	55,197	7.8499 (USD:HKD)	1,677,717
USD	34,382	34.0200 (USD:THB)	<u>1,045,049</u>
			<u>\$ 63,276,204</u>
Non-monetary items			
Investments in associates and joint ventures accounted for using the equity method			
USD	3,698	30.3950 (USD:NTD)	<u>\$ 112,388</u>

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 1,505,685	30.3950 (USD:NTD)	\$ 45,765,303
USD	627,497	6.8586 (USD:CNY)	19,072,781
USD	33,812	34.0200 (USD:THB)	<u>1,027,715</u>
			<u>\$ 65,865,799</u> (Concluded)

December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<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:HKD)	<u>2,845,028</u>
			<u>\$ 85,337,126</u>

March 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,208,199	28.5750 (USD:NTD)	\$ 34,524,287
USD	1,378,742	6.3296 (USD:CNY)	39,397,557
USD	60,874	7.8297 (USD:HKD)	1,739,483
USD	50,323	33.3000 (USD:THB)	1,437,987
USD	45,365	0.8950 (USD:EUR)	<u>1,296,293</u>
			<u>\$ 78,395,607</u>
Non-monetary items			
Investments in associates and joint ventures accounted for using the equity method			
USD	3,578	28.5750 (USD:NTD)	<u>\$ 102,235</u>
<u>Financial liabilities</u>			
Monetary items			
USD	1,866,342	28.5750 (USD:NTD)	\$ 53,330,715
USD	844,236	6.3296 (USD:CNY)	24,124,048
USD	57,831	33.3000 (USD:THB)	<u>1,652,528</u>
			<u>\$ 79,107,291</u>

For the three months ended March 31, 2023 and 2022, net foreign exchange gains (losses) were \$408,125 thousand and \$(776,788) 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.

35. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided: See Table 1 below.
- 2) Endorsement/guarantees provided: See Table 2 below.
- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures): See Table 3 below.
- 4) Marketable securities acquired and 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: None.

- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table 5 below.
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table 6 below.
 - 9) Trading in derivative instruments: See Notes 7 and 30 to the consolidated financial statements.
 - 10) Others: Intercompany relationships and significant intercompany transactions: See Table 9 below.
- b. Information on investees: See Table 7 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 8 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 5, 6 and 9 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.

36. 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 Three Months Ended March 31, 2023					
	Opto-electronics	Information Technology and Consumer Electronics	Cloud and AIoT	Elimination	Total
Sales from external customers	\$ 7,645,324	\$ 14,378,039	\$ 12,150,817	\$ -	\$ 34,174,180
Sales among segments	60,411	258,861	729	(320,001)	-
Operating profit	482,227	1,893,881	787,589	-	3,163,697
For the Three Months Ended March 31, 2022					
	Opto-electronics	Information Technology and Consumer Electronics	Cloud and AIoT	Elimination	Total
Sales from external customers	\$ 8,625,996	\$ 19,878,509	\$ 12,725,443	\$ -	\$ 41,229,948
Sales among segments	99,239	326,454	2,392	(428,085)	-
Operating profit	1,086,859	1,920,034	692,311	-	3,699,204

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 Three Months Ended March 31		
	2023	2022
Reportable segments' profit	\$ 3,163,697	\$ 3,699,204
Unclassified loss	(1,010,147)	(717,967)
Non-operating income and expenses	<u>821,036</u>	<u>(324,370)</u>
Profit before income tax	<u>\$ 2,974,586</u>	<u>\$ 2,656,867</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, share of profit or loss of associates accounted for using the equity method, interest income, other income, net gain (loss) on foreign currency exchange, net valuation gain (loss) on financial instruments at FVTPL, net gain on financial assets at FVTPL - structured products, finance costs, other expenses, net gain on disposal of property, plant and equipment, 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.

37. 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.

TABLE 1

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 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	\$ 101,929	\$ 101,929	2.45%	b	\$ -	Operating capital	\$ -	None	\$ -	\$ 4,879,250	\$ 4,879,250	
2	LITE-ON OPTO TECHNOLOGY (CHANGZHOU) CO., LTD.	LITE-ON INTELLIGENT TECHNOLOGY (YENCHENG) CORP.	Receivables from related parties	Yes	57,808	57,612	57,612	2.50%	b	-	Operating capital	-	None	-	3,294,875	3,294,875	
2	LITE-ON OPTO TECHNOLOGY (CHANGZHOU) CO., LTD.	LITE-ON GREEN TECHNOLOGIES (NANJING) CORPORATION	Receivables from related parties	Yes	16,898	16,840	16,840	2.50%	b	-	Operating capital	-	None	-	3,294,875	3,294,875	
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	88,634	88,634	2.50%	b	-	Operating capital	-	None	-	3,294,875	3,294,875	

- 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 aggregate financing limits are calculated based on the financing company’s policy.
- Note 3: The net worth is based on the latest 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 THREE MONTHS ENDED MARCH 31, 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	\$ 311,406	\$ 311,406	\$ 311,406	\$ -	0.41	\$ 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 latest audited financial statements.

TABLE 3

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 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	March 31, 2023				Note
				Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value	
LITE-ON TECHNOLOGY CORPORATION	<u>Ordinary shares</u>							
	ENNOSTAR Inc.	-	Financial asset at FVTPL	224	\$ 11,942	0.03	\$ 11,942	
	Wistron Corporation	-	Financial asset at FVTOCI	1,487	62,234	0.05	62,234	
	Logah Technology Corp.	-	Financial asset at FVTOCI	7,578	98,138	8.14	98,138	
	Z-Com, Inc.	-	Financial asset at FVTOCI	63	755	0.09	755	
	InSynerger Technology Co., Ltd.	Member of the board of directors	Financial asset at FVTOCI	1,710	28,339	15.05	28,339	
	PlayNitride Inc.	Member of the board of directors	Financial asset at FVTOCI	4,235	423,474	3.95	423,474	
	Airoha Technology Corp.	-	Financial asset at FVTOCI	258	173,389	0.18	173,389	
	EMRIGHT TECHNOLOGY CO., LTD.	-	Financial asset at FVTOCI	2,355	47,108	17.00	47,108	
	Others	-	Financial asset at FVTPL and Financial asset at FVTOCI	53,300	-	-	-	Note 1
	<u>Foreign convertible preference shares</u>							
	Kneron Holding Corporation	-	Financial asset at FVTPL	1,500	283,221	2.44	283,221	
	<u>Preference shares</u>							
	Others	-	Financial asset at FVTPL	16,781	-	-	-	Note 1
	<u>Fund</u>							
	Arm IoT Fund, L.P.	-	Financial asset at FVTPL	-	61,671	10.33	61,671	
	Esquarre IoT Landing Fund	-	Financial asset at FVTPL	-	145,996	15.36	145,996	
	PacRim Venture Partners	-	Financial asset at FVTPL	-	-	3.00	-	
	<u>Domestic convertible bond</u>							
	Xepex Electronics Co., Ltd.	-	Financial asset at FVTPL	150	-	-	-	
Lite-on Capital Corporation	<u>Ordinary shares</u>							
	LITE-ON TECHNOLOGY CORPORATION	The Parent Company	Financial assets at FVTOCI	15,116	1,107,993	0.64	1,107,993	
	Lead Data, Inc.	-	Financial assets at FVTOCI	865	2,792	0.59	2,792	
	Compound Solar Technology Co., Ltd.	-	Financial assets at FVTPL	2,000	-	2.86	-	
	Z-Com, Inc.	-	Financial assets at FVTOCI	2,412	28,818	3.36	28,818	
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	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	March 31, 2023				Note
				Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value	
YET FOUNDATE LIMITED	<u>Ordinary shares</u> Northern Lights Semiconductor	-	Financial assets at FVTPL	3,000	\$ -	5.91	\$ -	
LET (HK) LIMITED	<u>Fund</u> Innovation Works Development Fund, L.P.	-	Financial assets at FVTPL	-	HK\$ 3,387	0.55	HK\$ 3,387	
LITE-ON TECHNOLOGY USA, INC.	<u>Fund</u> SMART WORLD INNOVATION FUND GP, LLC	-	Financial assets at FVTPL	-	US\$ 2,392	18.61	US\$ 2,392	
	Amed Ventures II, L.P.	-	Financial assets at FVTPL	-	US\$ 1,033	2.27	US\$ 1,033	
	<u>Foreign convertible preference shares</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\$ 8,684	15.62	US\$ 8,684	
LTC GROUP LTD.	<u>Ordinary shares</u> VIZIO Holding Corp.	-	Financial assets at FVTPL	2,247	US\$ 20,630	1.15	US\$ 20,630	
TITANIC CAPITAL SERVICES LTD.	<u>Ordinary shares</u> LITE-ON TECHNOLOGY CORPORATION	The Parent Company	Financial assets at FVTOCI	7,004	513,409	0.30	513,409	
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	45,822	-	2.02	-	Note 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 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 THREE MONTHS ENDED MARCH 31, 2023
(Amounts in Thousands of New Taiwan Dollars or in Thousands of Foreign Currencies)

Holding Company	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)	-	\$ -	200	\$ 59,631 (US\$ 1,989)	\$ 44,423 (US\$ 1,482)	\$ 15,208 (US\$ 507) (Note)	2,247	\$ 627,038 (US\$ 20,630)

Note: During the disposal period (2022/3/31-2023/3/31), 1,086 thousand shares were disposed, the total monetary amount (deducting transaction fee) was US\$10,413 thousand, and the realized loss was \$243,065 thousand, of which \$258,273 thousand of loss had been transferred to unappropriated earnings in 2022, the gain recognized from January 1, 2023 to March 31, 2023 was \$15,208 thousand (accounted under the net gain on financial assets at fair value through profit or loss), and the ending amount is listed at fair value.

TABLE 5

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 THREE MONTHS ENDED MARCH 31, 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	Subsidiary	Sale	\$ (1,323,740)	(6.28)	About 90 days	Cost-plus pricing	No significant difference	\$ 1,932,198	8.88	
	LITE-ON TECHNOLOGY (CHANGZHOU) CO., LTD.	Fourth-tier subsidiary	Sale	(143,780)	(0.68)	About 90 days	Cost-plus pricing	No significant difference	223,847	1.03	
	LITE-ON SINGAPORE PTE. LTD.	Subsidiary	Sale	(753,602)	(3.57)	About 90 days	Cost-plus pricing	No significant difference	595,955	2.74	
	LITE-ON TRADING USA, INC.	Sub-subsidiary	Sale	(1,101,132)	(5.22)	About 90 days	Cost-plus pricing	No significant difference	1,638,490	7.53	
	LITE-ON TECHNOLOGY (CHANGZHOU) CO., LTD.	Subsidiary	Purchase	114,496	0.65	About 90 days	Cost-plus pricing	No significant difference	(114,573)	(0.47)	
	LITE-ON VIETNAM CO., LTD.	Subsidiary	Purchase	595,526	3.36	About 90 days	Cost-plus pricing	No significant difference	(824,891)	(3.39)	
	LITE-ON SINGAPORE PTE. LTD.	Subsidiary	Purchase	4,533,716	25.58	About 90 days	Cost-plus pricing	No significant difference	(6,437,506)	(26.45)	
	Lite-On Overseas Trading Co., Ltd.	Subsidiary	Purchase	8,906,214	50.26	About 90 days	Cost-plus pricing	No significant difference	(12,474,630)	(51.26)	
LEOTEK CORPORATION	LEOTEK ELECTRONICS USA LLC	Subsidiary	Sale	(203,175)	(76.79)	About 90 days	Cost-plus pricing	No significant difference	282,837	78.94	
Philips & Lite-On Digital Solutions Corporation	Philips & Lite-On Digital Solutions USA, Inc.	Subsidiary	Sale	(1,140,981)	(82.45)	About 90 days	Cost-plus pricing	No significant difference	457,360	69.87	
LITE-ON ELECTRONICS (TIANJIN) CO., LTD.	LITE-ON SINGAPORE PTE. LTD.	Affiliate	Sale	(372,710)	(100.00)	About 90 days	Cost-plus pricing	No significant difference	373,200	100.00	
LITE-ON NETWORK COMMUNICATION (DONGGUAN) LIMITED	LITE-ON ELECTRONICS (GUANGZHOU) LIMITED Lite-On Overseas Trading Co., Ltd.	Affiliate	Sale	(151,603)	(6.26)	About 90 days	Cost-plus pricing	No significant difference	173,081	8.87	
		Affiliate	Sale	(2,263,691)	(93.54)	About 90 days	Cost-plus pricing	No significant difference	1,772,769	90.80	
LITE-ON OPTO TECHNOLOGY (CHANGZHOU) CO., LTD.	LITE-ON SINGAPORE PTE. LTD.	Affiliate	Sale	(1,228,358)	(100.00)	About 90 days	Cost-plus pricing	No significant difference	1,235,620	100.00	
LITEON LI SHIN TECHNOLOGY (GANZHOU) LTD.	Lite-On Overseas Trading Co., Ltd.	Affiliate	Sale	(129,303)	(100.00)	About 90 days	Cost-plus pricing	No significant difference	95,630	100.00	
LITE-ON TECHNOLOGY (CHANGZHOU) CO., LTD.	LITE-ON SINGAPORE PTE. LTD. Lite-On Overseas Trading Co., Ltd.	Affiliate	Sale	(2,879,389)	(62.56)	About 90 days	Cost-plus pricing	No significant difference	2,889,156	62.56	
		Affiliate	Sale	(1,608,581)	(34.95)	About 90 days	Cost-plus pricing	No significant difference	1,614,472	34.96	
LITE-ON TECHNOLOGY (XIANNING) CO., LTD.	Lite-On Overseas Trading Co., Ltd.	Affiliate	Sale	(144,861)	(100.00)	About 90 days	Cost-plus pricing	No significant difference	94,610	100.00	
LITE-ON ELECTRONICS (DONGGUAN) CO., LTD.	Lite-On Overseas Trading Co., Ltd.	Affiliate	Sale	(2,223,531)	(100.00)	About 90 days	Cost-plus pricing	No significant difference	2,154,676	100.00	
SILITEK ELEC. (DONGGUAN) CO., LTD.	Lite-On Overseas Trading Co., Ltd.	Affiliate	Sale	(1,563,744)	(95.09)	About 90 days	Cost-plus pricing	No significant difference	2,281,423	94.86	
LITE-ON POWER TECHNOLOGY (DONGGUAN) CO., LTD.	LITE-ON SINGAPORE PTE. LTD.	Affiliate	Sale	(377,876)	(100.00)	About 90 days	Cost-plus pricing	No significant difference	378,145	100.00	
HUIZHOU LI SHIN ELECTRONIC CO., LTD.	Lite-On Overseas Trading Co., Ltd.	Affiliate	Sale	(431,692)	(88.72)	About 90 days	Cost-plus pricing	No significant difference	427,763	88.46	
LITE-ON ELECTRONICS (GUANGZHOU) LIMITED	Lite-On Overseas Trading Co., Ltd.	Affiliate	Sale	(1,982,742)	(96.22)	About 90 days	Cost-plus pricing	No significant difference	3,615,679	92.07	
LITEON AUTOMOTIVE ELECTRONICS (GUANGZHOU) CO., LTD.	Lite-On Overseas Trading Co., Ltd.	Affiliate	Sale	(106,855)	(75.34)	About 90 days	Cost-plus pricing	No significant difference	143,936	63.60	
LITEON-IT OPTO TECH (BH) CO., LTD.	Lite-On Overseas Trading Co., Ltd.	Affiliate	Sale	(959,693)	(100.00)	About 90 days	Cost-plus pricing	No significant difference	971,217	100.00	
Lite-On Electronics (Thailand) Co., Ltd.	LITE-ON SINGAPORE PTE. LTD.	Affiliate	Sale	(1,057,441)	(95.76)	About 90 days	Cost-plus pricing	No significant difference	718,695	93.33	

(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	\$ (266,506)	(1.73)	About 90 days	Cost-plus pricing	No significant difference	\$ 449,891	2.48	
	LITE-ON ELECTRONICS H.K. LIMITED	Affiliate	Sale	(337,990)	(2.20)	About 90 days	Cost-plus pricing	No significant difference	473,479	2.61	
	LITE-ON, INC.	Affiliate	Sale	(122,549)	(0.80)	About 90 days	Cost-plus pricing	No significant difference	100,257	0.55	
	LITE-ON TRADING USA, INC.	Affiliate	Sale	(1,924,113)	(12.51)	About 90 days	Cost-plus pricing	No significant difference	2,888,746	15.93	
LITE-ON AUTOMOTIVE ELECTRONICS MEXICO, S.A. DE C.V.	LITE-ON SINGAPORE PTE. LTD.	Affiliate	Sale	(140,951)	(100.00)	About 90 days	Cost-plus pricing	No significant difference	48,133	100.00	
Lite-On Overseas Trading Co., Ltd.	LITE-ON NETWORK COMMUNICATION (DONGGUAN) LIMITED	Affiliate	Sale	(1,928,746)	(9.06)	About 90 days	Cost-plus pricing	No significant difference	1,992,496	7.24	
	LITE-ON TECHNOLOGY (CHANGZHOU) CO., LTD.	Affiliate	Sale	(2,180,973)	(10.25)	About 90 days	Cost-plus pricing	No significant difference	3,157,937	11.48	
	LITE-ON ELECTRONICS (DONGGUAN) CO., LTD.	Affiliate	Sale	(1,683,731)	(7.91)	About 90 days	Cost-plus pricing	No significant difference	1,551,428	5.64	
	SILITEK ELEC. (DONGGUAN) CO., LTD.	Affiliate	Sale	(1,150,848)	(5.41)	About 90 days	Cost-plus pricing	No significant difference	424,067	1.54	
	LITE-ON ELECTRONICS (GUANGZHOU) LIMITED	Affiliate	Sale	(1,361,426)	(6.40)	About 90 days	Cost-plus pricing	No significant difference	2,445,426	8.89	
	LITEON-IT OPTO TECH (BH) CO., LTD.	Affiliate	Sale	(712,294)	(3.35)	About 90 days	Cost-plus pricing	No significant difference	972,602	3.53	
	LITE-ON VIETNAM CO., LTD.	Affiliate	Sale	(596,038)	(2.80)	About 90 days	Cost-plus pricing	No significant difference	791,534	2.88	
	LITE-ON SINGAPORE PTE. LTD.	Affiliate	Sale	(2,521,149)	(11.85)	About 90 days	Cost-plus pricing	No significant difference	3,414,289	12.41	
Lite-On (Guangzhou) Automotive Electronics Limited	LITE-ON TECHNOLOGY (SHANGHAI) CO., LTD.	Affiliate	Sale	(697,884)	(42.96)	About 90 days	Cost-plus pricing	No significant difference	1,081,385	66.15	
	LITE-ON SINGAPORE PTE. LTD.	Affiliate	Sale	(881,224)	(54.25)	About 90 days	Cost-plus pricing	No significant difference	328,793	20.11	

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

(Concluded)

TABLE 6

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 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	\$ -	\$ 1,932,198	\$ 231	2.66	\$ -	-	\$ -	\$ -
	LITE-ON TECHNOLOGY (CHANGZHOU) CO., LTD.	Fourth-tier subsidiary	-	223,847	-	2.22	-	-	-	-
	LITE-ON SINGAPORE PTE. LTD.	Subsidiary	-	595,955	51,830	3.06	-	-	-	-
	Lite-On Japan Ltd.	Subsidiary	-	127,013	72,139	1.21	-	-	-	-
	LITE-ON TRADING USA, INC.	Sub-subsiary	-	1,638,490	21,446	2.28	-	-	-	-
	Lite-On Overseas Trading Co., Ltd.	Subsidiary	-	1,154,934	2,152	-	-	-	413,050	-
LEOTEK CORPORATION	LEOTEK ELECTRONICS USA LLC	Subsidiary	-	282,837	519	3.02	-	-	-	-
Philips & Lite-On Digital Solutions Corporation	Philips & Lite-On Digital Solutions USA, Inc.	Subsidiary	-	457,360	-	9.33	-	-	-	-
LITE-ON ELECTRONICS (TIANJIN) CO., LTD.	LITE-ON SINGAPORE PTE. LTD.	Affiliate	-	373,200	-	4.90	-	-	120,229	-
LITE-ON NETWORK COMMUNICATION (DONGGUAN) LIMITED	LITE-ON ELECTRONICS (GUANGZHOU) LIMITED	Affiliate	-	173,081	-	6.77	-	-	-	-
	Lite-On Overseas Trading Co., Ltd.	Affiliate	-	1,772,769	1,138	4.69	-	-	-	-
LITE-ON OPTO TECHNOLOGY (CHANGZHOU) CO., LTD.	LITE-ON SINGAPORE PTE. LTD.	Affiliate	-	1,235,620	7,738	4.13	-	-	151,979	-
LITE-ON TECHNOLOGY (CHANGZHOU) CO., LTD.	LITE-ON TECHNOLOGY CORPORATION	The parent company	-	114,573	-	2.88	-	-	-	-
	CHANGZHOU LEOTEK NEW ENERGY TRADE LIMITED	Affiliate	-	-	103,102	-	-	-	-	-
	LITE-ON SINGAPORE PTE. LTD.	Affiliate	-	2,889,156	-	3.32	-	-	590,476	-
	Lite-On Overseas Trading Co., Ltd.	Affiliate	-	1,614,472	-	3.82	-	-	-	-
LITE-ON ELECTRONICS (DONGGUAN) CO., LTD.	Lite-On Overseas Trading Co., Ltd.	Affiliate	-	2,154,676	-	4.74	-	-	455,954	-
SILITEK ELEC. (DONGGUAN) CO., LTD.	Lite-On Overseas Trading Co., Ltd.	Affiliate	-	2,281,423	-	2.36	-	-	-	-
LITE-ON POWER TECHNOLOGY (DONGGUAN) CO., LTD.	LITE-ON SINGAPORE PTE. LTD.	Affiliate	-	378,145	-	5.84	-	-	-	-
HUIZHOU LI SHIN ELECTRONIC CO., LTD.	Lite-On Overseas Trading Co., Ltd.	Affiliate	-	427,763	-	4.81	-	-	-	-
LITE-ON ELECTRONICS (GUANGZHOU) LIMITED	LITE-ON TECHNOLOGY (SHANGHAI) CO., LTD.	Affiliate	-	125,907	-	1.75	-	-	-	-
	Lite-On Overseas Trading Co., Ltd.	Affiliate	-	3,615,679	40,603	1.45	-	-	644,064	-
LITEON AUTOMOTIVE ELECTRONICS (GUANGZHOU) CO., LTD.	Lite-On Overseas Trading Co., Ltd.	Affiliate	-	143,936	-	3.03	-	-	37,089	-
LITEON-IT OPTO TECH (BH) CO., LTD.	Lite-On Overseas Trading Co., Ltd.	Affiliate	-	971,217	-	3.51	-	-	387,398	-
Lite-On Electronics (Thailand) Co., Ltd.	LITE-ON SINGAPORE PTE. LTD.	Affiliate	-	718,695	21,138	6.19	-	-	-	-

(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 VIETNAM CO., LTD.	LITE-ON TECHNOLOGY CORPORATION	The parent company	\$ -	\$ 824,891	\$ -	2.78	\$ -	-	\$ -	\$ -
LITE-ON SINGAPORE PTE. LTD.	LITE-ON TECHNOLOGY CORPORATION	The parent company	-	6,437,506	124,583	2.43	-	-	-	-
	LITE-ON TECHNOLOGY (SHANGHAI) CO., LTD.	Subsidiary	-	449,891	-	1.97	-	-	175,160	-
	LITE-ON ELECTRONICS H.K. LIMITED	Affiliate	-	473,479	57	2.66	-	-	-	-
	Lite-On Japan Ltd.	Affiliate	-	117,014	150	2.72	-	-	-	-
	LITE-ON, INC.	Affiliate	-	100,257	428	4.23	-	-	-	-
	LITE-ON TRADING USA, INC.	Affiliate	-	2,888,746	20,096	2.31	-	-	-	-
Lite-On Overseas Trading Co., Ltd.	LITE-ON TECHNOLOGY CORPORATION	The parent company	-	12,474,630	35,071	2.35	-	-	406,623	-
	LITE-ON NETWORK COMMUNICATION (DONGGUAN) LIMITED	Affiliate	-	1,992,496	160	3.81	-	-	10,497	-
	LITE-ON TECHNOLOGY (CHANGZHOU) CO., LTD.	Affiliate	-	3,157,937	-	2.38	-	-	16,515	-
	LITE-ON ELECTRONICS (DONGGUAN) CO., LTD.	Affiliate	-	1,551,428	-	4.23	-	-	533,911	-
	SILITEK ELEC. (DONGGUAN) CO., LTD.	Affiliate	-	424,067	906	9.39	-	-	3,883	-
	LITE-ON ELECTRONICS (GUANGZHOU) LIMITED	Affiliate	-	2,445,426	-	1.63	-	-	374,845	-
	LITEON AUTOMOTIVE ELECTRONICS (GUANGZHOU) CO., LTD.	Affiliate	-	141,553	7,251	2.27	-	-	45,434	-
	LITEON-IT OPTO TECH (BH) CO., LTD.	Affiliate	-	972,602	-	2.62	-	-	258,998	-
	LITE-ON VIETNAM CO., LTD.	Affiliate	-	791,534	271	3.10	-	-	883	-
	LITE-ON SINGAPORE PTE. LTD.	Affiliate	-	3,414,289	-	3.79	-	-	-	-
Lite-On (Guangzhou) Automotive Electronics Limited	LITE-ON TECHNOLOGY (SHANGHAI) CO., LTD.	Affiliate	-	1,081,385	12,285	2.42	-	-	-	-
	LITE-ON SINGAPORE PTE. LTD.	Affiliate	-	328,793	5,987	11.49	-	-	-	-

Note: All intercompany transactions have been eliminated upon consolidation.

(Concluded)

TABLE 7

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 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 March 31, 2023			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				March 31, 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	\$ 413,426	\$ 19,034	\$ 3,169	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	451,063	(1,125)	3,098	Associate
	Lite-On Capital Corporation	Taipei City, Taiwan	Investment activities	3,707,984	3,707,984	170,706,763	100.00	1,206,030	31,115	(14,232)	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	21,397,682	HK\$ 24,175	78,663	Subsidiary
	Lite-On Electronics (Thailand) Co., Ltd.	Thailand	Manufacture and sale of LED optical products	632,128	632,128	6,049,844	100.00	2,250,723	THB 22,199	-	Subsidiary
	Lite-On Japan Ltd.	Japan	Sale of LED optical products and power supplies	679,856	679,856	12,451,058	100.00	917,230	JPY 177,165	41,614	Subsidiary
	Lite-On International Holding Co., Ltd.	British Virgin Islands	Investment activities	US\$ 363,725	US\$ 363,725	363,725,483	100.00	24,610,833	US\$ 9,163	260,653	Subsidiary
	LTC GROUP LTD.	British Virgin Islands	Investment activities	\$ 1,098,752	\$ 1,098,752	32,915,855	100.00	1,544,434	US\$ 5,312	144,236	Subsidiary
	LITE-ON TECHNOLOGY USA, INC.	USA	Investment activities	US\$ 55,172	US\$ 55,172	470,239	100.00	2,077,335	US\$ (2,884)	(80,091)	Subsidiary
	LITE-ON ELECTRONICS (EUROPE) LIMITED	United Kingdom	Manufacture and sale of power supplies	\$ 44,559	\$ 44,559	300,000	100.00	78,385	GBP 57	2,094	Subsidiary
	Lite-On Technology (Europe) B.V.	Netherlands	Market research and after-sales services	2,322,039	2,322,039	330,896	54.00	280,025	EUR (919)	(16,000)	Subsidiary
	Lite-On Overseas Trading Co., Ltd.	British Virgin Islands	Investment activities	168,947	168,947	5,142,962	100.00	1,468,925	US\$ (367)	(8,756)	Subsidiary
	LITE-ON SINGAPORE PTE. LTD.	Singapore	Manufacture and supply of computer peripheral products	US\$ 63,788	US\$ 63,788	51,776,500	100.00	29,068,633	US\$ 35,217	1,089,770	Subsidiary
	LITE-ON VIETNAM CO., LTD.	Vietnam	Electronic contract manufacturing	US\$ 52,000	US\$ 52,000	-	100.00	1,861,343	US\$ (1,486)	(45,282)	Subsidiary
	EAGLE ROCK INVESTMENT LTD.	British Virgin Islands	Import and export and investment activities	\$ 341	\$ 341	10,000	100.00	1,478,498	US\$ 663	19,856	Subsidiary
	LITE-ON MOBILE PTE. LTD.	Singapore	Manufacture and sale of mobile phone modules and design of assembly lines	EUR 457,014	EUR 457,014	221,062,238	100.00	2,724,535	US\$ 3,261	100,175	Subsidiary
	LET (HK) LIMITED	Hong Kong	Sale of optical disc drives	\$ 251,322	\$ 251,322	62,059,600	100.00	42,105	HK\$ 129	503	Subsidiary
	HIGH YIELD GROUP CO., LTD.	British Virgin Islands	Holding company	2,274,586	2,274,586	68,238,000	100.00	6,078,982	US\$ 209	102,790	Subsidiary
	Philips & Lite-On Digital Solutions Corporation	Taipei City, Taiwan	Sale of optical disc drives	267,113	267,113	17,150,000	49.00	281,631	\$ 6,300	3,087	Subsidiary
	Lite-Space Technology Company Limited	Hong Kong	Sale of computer components	165,498	165,498	5,600,000	46.67	112,388	US\$ -	-	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	US\$ 8,910	US\$ 8,910	294,825	99.00	429,950	MXN (3,799)	(6,129)	Subsidiary
	Lite-On Automotive International (Cayman) Co., Ltd.	Cayman	Investment activities	US\$ 100,626	US\$ 100,626	11,967,300	100.00	2,804,112	US\$ 3,631	102,577	Subsidiary
	KBW-LEOTEK Jordan Private Shareholding Limited	Jordan	Investment activities	US\$ 69	US\$ 69	49,000	49.00	687	JOD 3	60	Subsidiary
	KBW-LITEON Jordan Private Shareholding Limited	Jordan	Production and manufacture of energy-saving lights and project construction and maintenance	US\$ 50,928	US\$ 50,928	36,056,975	99.86	454,634	JOD (184)	(7,871)	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2023			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				March 31, 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	INR 1,023,741	INR 1,023,741	102,374,058	99.00	\$ 261,504	INR (23,280)	\$ (8,267)	Subsidiary
	SKYLA CORPORATION	Taiwan	Manufacture and sale of medical equipment	\$ 180,700	\$ 180,700	18,070,000	55.19	238,298	\$ 13,810	9,008	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	605,538	8,009	22,035	Subsidiary
	LITE-ON MOBILE INDÚSTRIA E COMÉRCIO DE PLÁSTICOS LTDA.	Brazil	Manufacture and sale of mobile phone modules and design of assembly lines	US\$ 1,299	US\$ 1,299	6,507,001	2.97	35,901	BRL 3,988	696	Subsidiary
LEOTEK CORPORATION	LEOTEK ELECTRONICS USA LLC	USA	Sale of LED products	293,452	293,452	-	100.00	299,274	US\$ (195)	-	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	14,078	19,034	-	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	235,467	(315)	-	Subsidiary
	Lite-On Green Energy (HK) Limited	Hong Kong	Investment activities	US\$ 3,100	US\$ 3,100	3,100,000	100.00	6,123	US\$ (1)	-	Subsidiary
	Lite-On Technology (Europe) B.V.	Netherlands	Market research and after-sales services	\$ 1,938,096	\$ 1,938,096	281,875	46.00	236,688	EUR (919)	-	Subsidiary
	LITE-ON GREEN ENERGY (SINGAPORE) PTE. LTD.	Singapore	Investment activities	227,434	227,434	3,457,760	100.00	104,282	EUR (36)	-	Subsidiary
Lite-On Green Technologies, Inc.	Lite-On Green Technologies B.V.	Netherlands	Solar energy engineering	EUR 11,520	EUR 11,520	6,818,200	100.00	50,668	EUR (9)	-	Subsidiary
LITE-ON GREEN ENERGY (SINGAPORE) PTE. LTD.	Lite-On Green Energy B.V.	Netherlands	Investment activities	EUR 2,500	EUR 2,500	9,139,785	100.00	EUR 594	EUR (2)	-	Subsidiary
Lite-On Green Technologies B.V.	Kompaksolar GmbH	Germany	Solar energy engineering	EUR 401	EUR 401	51,000	51.00	EUR -	EUR -	-	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	CNY 36,244	CNY 36,244	-	100.00	CNY 54,676	CNY 268	-	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	CNY 85,015	CNY 85,015	-	12.59	CNY 93,604	CNY 4,090	-	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	CNY 527,134	CNY 527,134	-	100.00	CNY 1,100,988	CNY 30,408	-	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	CNY 503,977	CNY 503,977	-	87.41	CNY 649,875	CNY 4,090	-	Subsidiary
	LITE-ON MEDICAL DEVICE (CHANGZHOU) LTD.	Changzhou, China	Manufacture and sale of medical equipment	CNY 30,640	CNY 30,640	-	100.00	CNY 19,873	CNY (960)	-	Subsidiary
	LITE-ON AUTOMOTIVE ELECTRONICS (CHANGZHOU) CO., LTD.	Changzhou, China	Manufacture, sale and processing of electronic products	CNY 223,746	CNY 223,746	-	100.00	CNY 223,900	CNY (1,499)	-	Subsidiary
Lite-On Automotive International (Cayman) Co., Ltd.	LITE-ON AUTOMOTIVE HOLDINGS (HONG KONG) CO., LIMITED	Hong Kong	Investment activities	HK\$ 42,009	HK\$ 42,009	101,250,185	100.00	US\$ 69,584	HK\$ 22,902	-	Subsidiary
HIGH YIELD GROUP CO., LTD.	LITE-ON IT INTERNATIONAL (HK) LIMITED	Hong Kong	Sale of optical disc drives	US\$ 102,400	US\$ 102,400	102,400,000	100.00	US\$ 128,056	US\$ (582)	-	Subsidiary
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	\$ 271,675	US\$ (101)	-	Subsidiary
	PLDS Germany GmbH	Germany	Development and sale of modules of automotive recorders	1,326,996	1,326,996	-	100.00	1,050,439	EUR (3)	-	Subsidiary
	Philips & Lite-On Digital Solutions Korea Ltd.	South Korea	Sale of optical disc drives	15,376	15,376	17,823	100.00	30,713	KRW 10	-	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2023			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				March 31, 2023	December 31, 2022	Shares	Percentage of Ownership (%)	Carrying Amount			
KBW-LEOTEK Jordan Private Shareholding Limited	LEOTEK, PSC	Jordan	Production, manufacture energy-saving lights	JOD 30	JOD 30	30,000	60.00	JOD 68	JOD 4	\$ -	Subsidiary
LITE-ON TECHNOLOGY USA, INC.	LITE-ON, INC.	USA	Sales data processing business of optoelectronic products and power supplies	US\$ 3,000	US\$ 3,000	3,000,000	100.00	US\$ 8,697	US\$ (746)	-	Subsidiary
	LITE-ON TRADING USA, INC.	USA	Sale of optical products	US\$ 31,500	US\$ 31,500	315,000	100.00	US\$ 41,433	US\$ (1,233)	-	Subsidiary
	POWER INNOVATIONS INTERNATIONAL, INC.	USA	Development, design and manufacture of power controls and energy management	US\$ 15,756	US\$ 15,756	12,916,109	100.00	US\$ 3,791	US\$ (749)	-	Subsidiary
	LITE-ON TECHNOLOGY SERVICE, INC.	USA	After-sales services of optical products	US\$ 1,500	US\$ 1,500	1,000	100.00	US\$ 1,958	US\$ (19)	-	Subsidiary
Lite-On International Holding Co., Ltd.	LITE-ON CHINA HOLDING CO., LTD.	British Virgin Islands	Investment activities	US\$ 427,342	US\$ 427,342	427,341,532	100.00	US\$ 647,531	US\$ 7,357	-	Subsidiary
LITE-ON SINGAPORE PTE. LTD.	LiteStar JV Holding (BVI) Co., Ltd. LITE-ON AUTOMOTIVE ELECTRONICS MEXICO, S.A. DE C.V.	British Virgin Islands	Investment activities	US\$ 27,000	US\$ 27,000	2,323	17.59	US\$ 24,685	\$ (43,165)	-	Associate
		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	US\$ 90	US\$ 90	2,978	1.00	US\$ 143	MXN (3,799)	-	Subsidiary
	LITE-ON POWER ELECTRONIC INDIA PRIVATE LIMITED	India	Manufacture and sale of phone chargers and power supplies	INR 10,341	INR 10,341	1,034,082	1.00	US\$ 87	INR (23,280)	-	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	CNY 19,427	CNY 19,427	-	100.00	CNY 17,847	CNY 1,217	-	Subsidiary
LTC GROUP LTD.	TITANIC CAPITAL SERVICES LTD.	British Virgin Islands	Investment activities	\$ 1,014,620	\$ 1,014,620	8,655,240	100.00	US\$ 22,393	US\$ 569	-	Subsidiary
Lite-On Technology (Europe) B.V.	Lite-On (Finland) Oy	Finland	Manufacture and sale of mobile phone modules and design of assembly lines	EUR 64,891	EUR 64,891	2,500	100.00	EUR 10,378	EUR 602	-	Subsidiary
Lite-On (Finland) Oy	Lite-On Mobile Oyj	Finland	Manufacture and sale of mobile phone modules and design of assembly lines	EUR -	EUR 196,618	-	-	EUR -	EUR 40	-	Subsidiary (Note 2)
LITE-ON CHINA HOLDING CO., LTD.	LITE-ON ELECTRONICS COMPANY LIMITED	Hong Kong	Investment activities	US\$ 375,760	US\$ 375,760	3,083,467,107	100.00	US\$ 601,588	HK\$ 56,893	-	Subsidiary
	YET FOUNDATE LIMITED	Hong Kong	Manufacture of plastic and computer peripheral products	CNY 73,220	CNY 73,220	68,429,663	100.00	US\$ 19,048	CNY (396)	-	Subsidiary
	FORDGOOD ELECTRONIC LIMITED	Hong Kong	Import and export and real estate business	US\$ 12,666	US\$ 12,666	100,150,100	100.00	US\$ 20,492	HK\$ 1,203	-	Subsidiary
	G&W TECHNOLOGY (BVI) LIMITED	British Virgin Islands	Real estate management	US\$ 3,900	US\$ 3,900	3,900,000	50.00	US\$ 4,730	US\$ 78	-	Subsidiary
G&W TECHNOLOGY (BVI) LIMITED	G&W TECHNOLOGY LIMITED	Hong Kong	Leasing business	US\$ 65	US\$ 65	499,998	100.00	US\$ 2,157	US\$ 69	-	Subsidiary
Lite-On Japan Ltd.	Lite-On Japan (H.K.) Limited	Hong Kong	Import and export of electronic components	JPY 70,000	JPY 70,000	50,000	100.00	JPY 70,000	US\$ 105	-	Subsidiary (Note 3)
	LITE-ON JAPAN (Thailand) CO., LTD.	Thailand	Import and export of electronic components	JPY 64,992	JPY 64,992	199,998	100.00	JPY 64,992	THB 860	-	Subsidiary (Note 3)

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2023			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				March 31, 2023	December 31, 2022	Shares	Percentage of Ownership (%)	Carrying Amount			
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	US\$ 108,302	US\$ 108,302	212,824,231	97.03	US\$ 38,588	BRL 3,988	\$ -	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 has been posted system for the final amount of net income or loss.

Note 2: Liquidated in March 2022.

Note 3: The investment income/losses and adjustment for changes in equities are recognized by the Group.

Note 4: Refer to Table 8 for information on investments in mainland China.

(Concluded)

TABLE 8

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

FOR THE THREE MONTHS ENDED MARCH 31, 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 March 31, 2023	Net Income (Losses) of the Investee Company (Note 2)	Percentage of Ownership	Share of Profits/Losses (Note 2)	Carrying Amount as of March 31, 2023 (Note 2)	Accumulated Inward Remittance of Earnings as of March 31, 2023	Note
						Outflow	Inflow							
LITE-ON TECHNOLOGY CORPORATION	LITE-ON COMPUTER TECHNOLOGY (DONGGUAN) CO., LTD.	Manufacture and sale of display device	\$ 498,478 (US\$ 16,400)	a	\$ 865,315 (US\$ 28,469)	\$ -	\$ -	\$ 865,315 (US\$ 28,469)	\$ -	100.00	\$ -	\$ -	\$ -	Note 3
	LITE-ON ELECTRONICS (TIANJIN) CO., LTD.	ODM services	2,112,453 (US\$ 69,500)	a	2,021,207 (US\$ 66,498)	-	-	2,021,207 (US\$ 66,498)	50,109 (CNY 11,336)	100.00	50,109 (CNY 11,336)	2,450,343 (HK\$ 632,836)	-	
	LITE-ON ELECTRONICS (DONGGUAN) CO., LTD.	Manufacture of electronic components	1,075,983 (US\$ 35,400)	a	1,075,983 (US\$ 35,400)	-	-	1,075,983 (US\$ 35,400)	(131,326) (CNY -29,709)	100.00	(131,326) (CNY -29,709)	2,823,402 (HK\$ 729,184)	-	
	SILITEK ELEC. (DONGGUAN) CO., LTD.	Manufacture and sale of keyboards	145,896 (US\$ 4,800)	a	145,896 (US\$ 4,800)	-	-	145,896 (US\$ 4,800)	(357) (CNY -81)	100.00	(357) (CNY -81)	4,596,061 (HK\$ 1,186,999)	-	Note 3
	LITE-ON ELECTRONICS (GUANGZHOU) LIMITED	Manufacture and sale of printers and scanners	1,151,059 (US\$ 37,870)	a	1,183,703 (US\$ 38,944)	-	-	1,183,703 (US\$ 38,944)	14,477 (CNY 3,275)	100.00	14,477 (CNY 3,275)	7,559,085 (HK\$ 1,952,243)	-	Notes 2 and 4
	CHINA BRIDGE (CHINA) CO., LTD.	Investment activities, consulting services and acting as a sales agent	911,850 (US\$ 30,000)	a	904,099 (US\$ 29,745)	-	-	904,099 (US\$ 29,745)	3,462 (CNY 783)	100.00	3,462 (CNY 783)	1,208,801 (HK\$ 312,190)	-	
	LITE-ON NETWORK COMMUNICATION (DONGGUAN) LIMITED	Manufacture and sale of IT products	1,350,028 (US\$ 44,416)	a	1,309,873 (US\$ 43,095)	-	-	1,309,873 (US\$ 43,095)	34,571 (CNY 7,821)	100.00	34,571 (CNY 7,821)	2,290,804 (HK\$ 591,633)	-	
	LITEON COMMUNICATION (GUANGZHOU) COMPANY LIMITED	Manufacture and sale of mobile terminal equipment	746,501 (US\$ 24,560)	a	746,501 (US\$ 24,560)	-	-	746,501 (US\$ 24,560)	-	100.00	-	-	-	Note 4
	LITE-ON TECHNOLOGY (GUANGZHOU) LIMITED	Manufacture and sale of computer case	1,009,114 (US\$ 33,200)	a	1,009,114 (US\$ 33,200)	-	-	1,009,114 (US\$ 33,200)	-	100.00	-	-	-	Note 4
	COMMIT Incorporated	Manufacture and sale of application software and multimedia product design	975,254 (US\$ 32,086)	a	18,237 (US\$ 600)	-	-	18,237 (US\$ 600)	-	1.87	-	-	-	
	LITEON ELECTRONICS AND WIRELESS (GUANGZHOU) LIMITED	Manufacture and sale of mobile terminal equipment	480,545 (US\$ 15,810)	a	480,545 (US\$ 15,810)	-	-	480,545 (US\$ 15,810)	-	100.00	-	-	-	Note 4
	LITE-ON (GUANGZHOU) PRECISION TOOLING LTD.	Manufacture and sale of modules	553,189 (US\$ 18,200)	a	370,819 (US\$ 12,200)	-	-	370,819 (US\$ 12,200)	-	100.00	-	-	-	Note 4
	LITEON LI SHIN TECHNOLOGY (GANZHOU) LTD.	Manufacture and sale of electronic components	364,740 (US\$ 12,000)	a	405,348 (US\$ 13,336)	-	-	405,348 (US\$ 13,336)	4,356 (CNY 986)	100.00	4,356 (CNY 986)	599,170 (HK\$ 154,744)	-	
	LITE-ON TECHNOLOGY (XIANNING) CO., LTD.	Manufacture and sale of electronic components	197,568 (US\$ 6,500)	a	197,568 (US\$ 6,500)	-	-	197,568 (US\$ 6,500)	3,242 (CNY 733)	100.00	3,242 (CNY 733)	439,745 (US\$ 14,468)	-	
	LITE-ON TECHNOLOGY (JIANGSU) CO., LTD.	Investment activities, consulting services and acting as a sales agent	5,045,570 (US\$ 166,000)	a	5,045,570 (US\$ 166,000)	-	-	5,045,570 (US\$ 166,000)	140,517 (CNY 31,788)	100.00	140,517 (CNY 31,788)	9,579,195 (HK\$ 2,473,966)	-	
	LITE-ON TECHNOLOGY (GZ) INVESTMENT COMPANY LIMITED	Investment activities	2,431,600 (US\$ 80,000)	a	2,431,600 (US\$ 80,000)	-	-	2,431,600 (US\$ 80,000)	709 (CNY 160)	100.00	709 (CNY 160)	641,446 (HK\$ 165,663)	-	
	LITE-ON POWER TECHNOLOGY (DONGGUAN) CO., LTD.	Development, manufacture and sale of electronic components, power supplies and provision of technology consulting services	485,463 (US\$ 15,972)	a	485,469 (US\$ 15,972)	-	-	485,469 (US\$ 15,972)	38,583 (CNY 8,728)	100.00	38,583 (CNY 8,728)	742,305 (HK\$ 191,711)	-	
	CHANGZHOU LEOTEK NEW ENERGY TRADE LIMITED	Wholesale, import, export and installation of street lights, signal lights, scenery lights and new-type electronic components	30,395 (US\$ 1,000)	a	30,395 (US\$ 1,000)	-	-	30,395 (US\$ 1,000)	(1,138) (CNY -257)	100.00	(1,138) (CNY -257)	(61,138) (CNY -13,796)	-	
	LITEON AUTOMOTIVE ELECTRONICS (GUANGZHOU) CO., LTD.	Manufacture of automotive components	1,306,985 (US\$ 43,000)	a	1,306,985 (US\$ 43,000)	-	-	1,306,985 (US\$ 43,000)	(21,803) (CNY -4,932)	100.00	(21,803) (CNY -4,932)	1,596,685 (US\$ 52,531)	-	
	LiteON Auto Electric Technology (Guangzhou) Ltd.	Manufacture and sale of optical disc drives	60,790 (US\$ 2,000)	a	60,790 (US\$ 2,000)	-	-	60,790 (US\$ 2,000)	354 (CNY 80)	100.00	354 (CNY 80)	141,709 (US\$ 4,662)	-	
	LITEON-IT OPTO TECH (BH) CO., LTD.	Manufacture and sale of optical disc drives	1,671,725 (US\$ 55,000)	a	1,671,725 (US\$ 55,000)	-	-	1,671,725 (US\$ 55,000)	2,945 (CNY 666)	100.00	2,945 (CNY 666)	2,149,240 (US\$ 70,710)	-	
	Lite-On (Guangzhou) Automotive Electronics Limited	Manufacture, sale and processing of electronic products	188,449 (US\$ 6,200)	a	178,419 (US\$ 5,870)	-	-	178,419 (US\$ 5,870)	87,953 (CNY 19,897)	100.00	87,953 (CNY 19,897)	1,880,312 (HK\$ 485,618)	-	
	LITE-ON AUTOMOTIVE (WUXI) CO., LTD.	Manufacture, sale and processing of electronic products	151,975 (US\$ 5,000)	a	151,975 (US\$ 5,000)	-	-	151,975 (US\$ 5,000)	549 (CNY 124)	100.00	549 (CNY 124)	232,801 (HK\$ 60,124)	-	

(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 March 31, 2023	Net Income (Losses) of the Investee Company (Note 2)	Percentage of Ownership	Share of Profits/Losses (Note 2)	Carrying Amount as of March 31, 2023 (Note 2)	Accumulated Inward Remittance of Earnings as of March 31, 2023	Note
						Outflow	Inflow							
LITE-ON TECHNOLOGY CORPORATION	HUIZHOU LI SHIN ELECTRONIC CO., LTD.	Manufacture of computer peripheral products	\$ 403,529 (US\$ 13,276)	a	\$ 195,805 (US\$ 6,442)	\$ -	\$ -	\$ 195,805 (US\$ 6,442)	\$ 11,471 (CNY 2,595)	100.00	\$ 11,471 (CNY 2,595)	\$ 773,369 (US\$ 25,444)	\$ -	
	LITE-ON TECHNOLOGY (SHANGHAI) CO., LTD.	Manufacture and sale of energy-saving equipment	2,158,045 (US\$ 71,000)	a	2,158,045 (US\$ 71,000)	-	-	2,158,045 (US\$ 71,000)	49,084 (CNY 11,104)	100.00	49,084 (CNY 11,104)	3,072,687 (US\$ 101,092)	-	
	BEIJING LITE-ON MOBILE ELECTRONIC AND TELECOMMUNICATION COMPONENTS CO., LTD.	Manufacture and sale of mobile phone modules and design of assembly lines	486,320 (US\$ 16,000)	a	1,235,344 (US\$ 40,643)	-	-	1,235,344 (US\$ 40,643)	(12,483) (CNY -2,824)	100.00	(12,483) (CNY -2,824)	188,775 (US\$ 6,211)	-	
	GUANGZHOU LITE-ON MOBILE ENGINEERING PLASTICS CO., LTD.	Manufacture and sale of mobile phone modules and design of assembly lines	594,830 (US\$ 19,570)	a	1,820,509 (US\$ 59,895)	-	-	1,820,509 (US\$ 59,895)	3,748 (CNY 848)	100.00	3,748 (CNY 848)	1,096,795 (US\$ 36,085)	-	
	LITE-ON GREEN TECHNOLOGIES (NANJING) CORPORATION	Solar energy engineering	22,796 (US\$ 750)	a	22,793 (US\$ 750)	-	-	22,793 (US\$ 750)	(299) (CNY -68)	100.00	(299) (CNY -68)	(8,811) (CNY -1,988)	-	
	Changzhou Binhu Thin Film Solar Greenhouse Co., Ltd.	Manufacture and sale of solar energy engineering	443,170 (CNY 100,000)	a	91,094 (US\$ 2,997)	-	-	91,094 (US\$ 2,997)	-	19.90	-	4,241 (US\$ 140)	-	
	Epicrystal (Changzhou) Co., Ltd.	Design, manufacture and sale of light-emitting diode and related display	4,772,015 (US\$ 157,000)	a	820,665 (US\$ 27,000)	-	-	820,665 (US\$ 27,000)	(45,977) (CNY -10,401)	19.74	(9,075) (CNY -2,053)	910,542 (CNY 205,461)	-	
	DONGGUAN LITE-ON COMPUTER CO., LTD.	Manufacture and sale of computer hosts and components, keyboards, scanners, printers and mouses	60,790 (US\$ 2,000)	a	60,790 (US\$ 2,000)	-	-	60,790 (US\$ 2,000)	216 (CNY 49)	100.00	216 (CNY 49)	60,571 (CNY 13,668)	-	
	NL (SHANGHAI) CO., LTD.	Import and export of electronic components	9,119 (US\$ 300)	a	94,164 (US\$ 3,098)	-	-	94,164 (US\$ 3,098)	(181) (CNY 41)	100.00	(181) (CNY 41)	8,140 (JPY 35,655)	-	Note 5
Philips & Lite-On Digital Solutions Corporation	Philips & Lite-On Digital Solutions (Shanghai) Co., Ltd.	Sale of optical disc drives	30,395 (US\$ 1,000)	a	30,395 (US\$ 1,000)	-	-	30,395 (US\$ 1,000)	(2,190) (CNY -495)	100.00	(2,190) (CNY -495)	395,708	-	

Investor Company	Accumulated Investment in Mainland China as of March 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
LITE-ON TECHNOLOGY CORPORATION	\$ 28,596,345 (US\$ 940,824)	\$ 38,015,786 (US\$ 1,250,725)	Note 6
Philips & Lite-On Digital Solutions Corporation	30,395 (US\$ 1,000)	30,395 (US\$ 1,000)	\$ 344,854 (Note 7)

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

a. Indirect investment in mainland China through holding companies.

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

Note 6: Under Order No. 10920439200 issued by the Ministry of Economic Affairs on January 4, 2021, the Company acquired a certification approved by the Industrial Development Bureau and valid from December 18, 2020 to December 17, 2023 of its status as operation headquarters. Thus, the Company has no limitation on the amount of investment in mainland China.

Note 7: Calculated based on 60% of Philips & Lite-On Digital Solutions Corporation’s net worth.

(Concluded)

TABLE 9

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(Amounts in Thousands of New Taiwan Dollars)**

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transaction			
				Financial Statement 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 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.	Sales Trade receivables Sales Sales Purchases Purchases Trade payables Purchases Trade payables	\$ 1,323,740 1,932,198 753,602 1,101,132 595,526 4,533,716 6,437,506 8,906,214 12,474,630	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	4 1 2 3 2 13 3 26 7
1	Philips & Lite-On Digital Solutions Corporation	Philips & Lite-On Digital Solutions USA, Inc.	a.	Sales	1,140,981	Cost-plus pricing	3
2	LITE-ON ELECTRONICS (TIANJIN) CO., LTD.	LITE-ON SINGAPORE PTE. LTD.	c.	Sales	372,710	Cost-plus pricing	1
3	LITE-ON NETWORK COMMUNICATION (DONGGUAN) LIMITED	Lite-On Overseas Trading Co., Ltd.	c.	Sales	2,263,691	Cost-plus pricing	7
4	LITE-ON OPTO TECHNOLOGY (CHANGZHOU) CO., LTD.	LITE-ON SINGAPORE PTE. LTD.	c.	Sales	1,228,358	Cost-plus pricing	4
5	LITE-ON TECHNOLOGY (CHANGZHOU) CO., LTD.	LITE-ON SINGAPORE PTE. LTD. LITE-ON SINGAPORE PTE. LTD. Lite-On Overseas Trading Co., Ltd.	c. c. c.	Sales Trade receivables Sales	2,879,389 2,889,156 1,608,581	Cost-plus pricing Cost-plus pricing Cost-plus pricing	8 2 5
6	LITE-ON ELECTRONICS (DONGGUAN) CO., LTD.	Lite-On Overseas Trading Co., Ltd. Lite-On Overseas Trading Co., Ltd.	c. c.	Sales Trade receivables	2,223,531 2,154,676	Cost-plus pricing Cost-plus pricing	7 1
7	SILITEK ELEC. (DONGGUAN) CO., LTD.	Lite-On Overseas Trading Co., Ltd. Lite-On Overseas Trading Co., Ltd.	c. c.	Sales Trade receivables	1,563,744 2,281,423	Cost-plus pricing Cost-plus pricing	5 1
8	LITE-ON POWER TECHNOLOGY (DONGGUAN) CO., LTD.	LITE-ON SINGAPORE PTE. LTD.	c.	Sales	377,876	Cost-plus pricing	1
9	HUIZHOU LI SHIN ELECTRONIC CO., LTD.	Lite-On Overseas Trading Co., Ltd.	c.	Sales	431,692	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)
10	LITE-ON ELECTRONICS (GUANGZHOU) LIMITED	Lite-On Overseas Trading Co., Ltd. Lite-On Overseas Trading Co., Ltd.	c. c.	Sales	\$ 1,982,742	Cost-plus pricing	6
				Trade receivables	3,615,679	Cost-plus pricing	2
11	LITEON-IT OPTO TECH (BH) CO., LTD.	Lite-On Overseas Trading Co., Ltd.	c.	Sales	959,693	Cost-plus pricing	3
12	Lite-On Electronics (Thailand) Co., Ltd.	LITE-ON SINGAPORE PTE. LTD.	c.	Sales	1,057,441	Cost-plus pricing	3
13	LITE-ON SINGAPORE PTE. LTD.	LITE-ON TRADING USA, INC. LITE-ON TRADING USA, INC.	c. c.	Sales	1,924,113	Cost-plus pricing	6
				Trade receivables	2,888,746	Cost-plus pricing	2
14	Lite-On Overseas Trading Co., Ltd.	LITE-ON NETWORK COMMUNICATION (DONGGUAN) LIMITED	c.	Sales	1,928,746	Cost-plus pricing	6
		LITE-ON NETWORK COMMUNICATION (DONGGUAN) LIMITED	c.	Trade receivables	1,992,496	Cost-plus pricing	1
		LITE-ON TECHNOLOGY (CHANGZHOU) CO., LTD.	c.	Sales	2,180,973	Cost-plus pricing	6
		LITE-ON TECHNOLOGY (CHANGZHOU) CO., LTD.	c.	Trade receivables	3,157,937	Cost-plus pricing	2
		LITE-ON ELECTRONICS (DONGGUAN) CO., LTD.	c.	Sales	1,683,731	Cost-plus pricing	5
		SILITEK ELEC. (DONGGUAN) CO., LTD.	c.	Sales	1,150,848	Cost-plus pricing	3
		LITE-ON ELECTRONICS (GUANGZHOU) LIMITED	c.	Sales	1,361,426	Cost-plus pricing	4
		LITE-ON ELECTRONICS (GUANGZHOU) LIMITED	c.	Trade receivables	2,445,426	Cost-plus pricing	1
		LITEON-IT OPTO TECH (BH) CO., LTD.	c.	Sales	712,294	Cost-plus pricing	2
		LITE-ON VIETNAM CO., LTD.	c.	Sales	596,038	Cost-plus pricing	2
		LITE-ON SINGAPORE PTE. LTD.	c.	Sales	2,521,149	Cost-plus pricing	7
		LITE-ON SINGAPORE PTE. LTD.	c.	Trade receivables	3,414,289	Cost-plus pricing	2
15	Lite-On (Guangzhou) Automotive Electronics Limited	LITE-ON TECHNOLOGY (SHANGHAI) CO., LTD. LITE-ON SINGAPORE PTE. LTD.	c. c.	Sales	697,884	Cost-plus pricing	2
				Sales	881,224	Cost-plus pricing	3

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 March 31, 2023. For profit or loss items, cumulative amounts are shown as a percentage to consolidated total operating revenues for the three months ended March 31, 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 are not additionally disclosed.

(Concluded)