Richwave Technology Corp. And Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2023 and 2022 and Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Richwave Technology Corp.

Introduction

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

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 11 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of June 30, 2023 and 2022, combined total assets of these non-significant subsidiaries were NT$90,743 thousand and NT$81,307 thousand, respectively, representing 2.81% and 2.18%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT$7,404 thousand and NT$12,896 thousand, respectively, representing 0.75% and 0.81%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2023 and 2022 and for the six months ended June 30, 2023 and 2022, the amounts of combined comprehensive income of these subsidiaries were NT$1,712 thousand, NT$540 thousand, NT$1,798 thousand and NT$713 thousand respectively, representing (3.06)%, 1.41%, (1.24)% and 1.67%, respectively, of the consolidated total comprehensive income.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2023 and 2022 and for the three months ended June 30, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2023 and 2022 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 Su-Li Fang and Jian-Ming Zeng.

Deloitte & Touche
Taipei, Taiwan
Republic of China

July 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.

RICHWAVE TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2023 (Reviewed) Amount	%	December 31, 2022 (Audited) Amount	%	June 30, 2022 (Reviewed) Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 28)	$ 765,964	24	$ 1,015,303	30	$ 1,338,881	36
Trade receivables, net (Notes 9, 22 and 28)	1,189,307	37	1,046,374	30	960,669	26
Other receivables (Notes 9 and 28)	34,972	1	36,337	1	24,453	1
Current tax assets	914	-	-	-	-	-
Inventories (Note 10)	685,601	21	927,493	27	956,263	26
Prepayments (Note 15)	116,244	4	56,718	2	49,965	1
Other current assets (Note 15)	10,287	-	10,314	-	10,652	-
Total current assets	2,803,289	87	3,092,539	90	3,340,883	90
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 28)	1,024	-	-	-	-	-
Financial assets at amortized cost - non-current (Notes 8, 28 and 30)	9,900	-	12,900	-	12,900	-
Property, plant and equipment (Note 12)	208,259	7	189,182	6	184,626	5
Right-of-use assets (Note 13)	29,024	1	28,250	1	43,086	1
Other intangible assets (Note 14)	31,487	1	14,876	-	31,704	1
Deferred tax assets (Notes 4 and 24)	134,044	4	94,744	3	103,411	3
Prepayments for equipment	7,786	-	6,690	-	6,618	-
Refundable deposits (Note 28)	7,366	-	7,248	-	8,983	-
Net defined benefit assets - non-current (Notes 4 and 20)	1,879	-	1,565	-	340	-
Total non-current assets	430,769	13	355,455	10	391,668	10
TOTAL	$ 3,234,058	100	$ 3,447,994	100	$ 3,732,551	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term bank loans (Notes 16 and 28)	$ -	-	$ -	-	$ 430,000	12
Trade payables (Notes 18 and 28)	301,164	9	388,724	11	396,708	11
Accrued profit sharing to employees and bonus to directors (Note 23)	8,755	-	6,061	-	56,175	1
Cash dividends payable	-	-	-	-	309,642	8
Other payables (Notes 19 and 28)	131,521	4	149,809	4	114,653	3
Current tax liabilities (Notes 4 and 24)	-	-	11,476	-	17,299	-
Lease liabilities – current (Notes 13 and 28)	17,625	1	22,828	1	29,430	1
Refund liabilities – current (Note 19)	215,050	7	185,465	6	208,163	6
Other current liabilities (Notes 19 and 22)	10,344	-	7,468	-	6,645	-
Total current liabilities	684,459	21	771,831	22	1,568,715	42
NON-CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - non-current (Notes 7 and 28)	-	-	480	-	-	-
Bonds payable (Notes 17 and 28)	273,874	9	286,293	9	-	-
Deferred tax liabilities (Notes 4 and 24)	12,945	-	9,391	-	6,500	-
Lease liabilities - non-current (Notes 13 and 28)	11,585	-	5,747	-	14,258	1
Guarantee deposits (Note 28)	1,625	-	1,602	-	5,118	-
Total non-current liabilities	300,029	9	303,513	9	25,876	1
Total liabilities	984,488	30	1,075,344	31	1,594,591	43
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (Note 21)						
Share capital						
Ordinary shares	901,689	28	901,689	26	884,689	24
Advance receipts for share capital	1,143	-	-	-	-	-
Total share capital	902,832	28	901,689	26	884,689	24
Capital surplus	646,797	20	626,298	18	423,402	11
Retained earnings						
Legal reserve	212,694	7	207,114	6	207,114	5
Special reserve	-	-	1,373	-	1,373	-
Unappropriated earnings	488,265	15	635,863	19	621,136	17
Total retained earnings	700,959	22	844,350	25	829,623	22
Other equity	(1,018)	-	313	-	246	-
Total equity	2,249,570	70	2,372,650	69	2,137,960	57
TOTAL	$ 3,234,058	100	$ 3,447,994	100	$ 3,732,551	100

The accompanying notes are an integral part of the consolidated financial statements.
（With Deloitte & Touche review report dated July 27, 2023）

RICHWAVE TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share, in New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
NET OPERATING REVENUE (Note 22)	$ 737,954	100	$ 876,461	100	$ 1,374,928	100	$ 1,739,152	100
OPERATING COSTS (Notes 10 and 23)	559,909	76	600,224	68	1,040,039	76	1,243,603	72
GROSS PROFIT	178,045	24	276,237	32	334,889	24	495,549	28
OPERATING EXPENSES (Notes 20 and 23)								
Selling and marketing expenses	50,648	7	51,600	6	102,238	7	105,225	6
General and administrative expenses	61,032	8	56,024	6	119,014	9	119,265	7
Research and development expenses	159,739	22	158,160	18	320,008	23	290,276	17
Expected credit loss (gain) (Note 9)	948	-	3,984	1	(889)	-	4,305	-
Total operating expenses	272,367	37	269,768	31	540,371	39	519,071	30
PROFIT (LOSS) FROM OPERATIONS	(94,322)	(13)	6,469	1	(205,482)	(15)	(23,522)	(2)
NON-OPERATING INCOME AND EXPENSES (Note 23)								
Interest income	4,418	-	2,277	-	9,539	1	2,734	-
Other income	230	-	289	-	486	-	540	-
Other gains and losses	20,948	3	31,416	3	17,210	1	63,210	4
Finance costs	(1,410)	-	(1,336)	-	(2,770)	-	(1,854)	-
Total non-operating income and expenses	24,186	3	32,646	3	24,465	2	64,630	4
PROFIT (LOSS) BEFORE INCOME TAX	(70,136)	(10)	39,115	4	(181,017)	(13)	41,108	2
INCOME TAX (EXPENSE) BENEFIT (Notes 4 and 24)	15,678	2	(1,175)	-	37,626	2	(37)	-
NET PROFIT (LOSS) FOR THE PERIOD	(54,458)	(8)	37,940	4	(143,391)	(11)	41,071	2
OTHER COMPREHENSIVE INCOME								
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	(1,512)	-	294	-	(1,331)	-	1,619	-
Other comprehensive income for the period, net of income tax	(1,512)	-	294	-	(1,331)	-	1,619	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	$ (55,970)	(8)	$ 38,234	4	$ (144,722)	(11)	$ 42,690	2
EARNINGS (LOSS) PER SHARE (Note 25)								
From continuing and discontinued operations								
Basic	$ (0.60)		$ 0.43		$ (1.59)		$ 0.46	
Diluted	$ (0.60)		$ 0.43		$ (1.59)		$ 0.46	

The accompanying notes are an integral part of the consolidated financial statements.
（With Deloitte & Touche review report dated July 27, 2023）

RICHWAVE TECHNOLOGY CORP. AND SUBSIDIARIES

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

	Share Capital				Retained Earnings			Other Equity			
	Share (Thousands)	**Share Capital**	**Advance receipts for share capital**	**Capital Surplus**	**Legal Reserve**	**Special Reserve**	**Unappropriated earnings**	**Unrealized Loss on Financial Assets at Fair Value Through Other Comprehensive Income**	**Exchange Differences on Translation of the Financial Statements of Foreign Operations**	**Total**	**Total Equity**
BALANCE AT JANUARY 1, 2022	88,469	$ 884,689	$ -	$ 416,354	$ 160,670	$ 1,101	$ 936,423	$ (14)	$ (1,359)	$ (1,373)	$2,397,864
Appropriation of 2021 earnings											
Legal reserve	-	-	-	-	46,444	-	(46,444)	-	-	-	-
Special reserve	-	-	-	-	-	272	(272)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(309,642)	-	-	-	(309,642)
Net profit for the six months ended June 30, 2022	-	-	-	-	-	-	41,071	-	-	-	41,071
Other comprehensive income for the six months ended June 30, 2022, net of income tax	-	-	-	-	-	-	-	-	1,619	1,619	1,619
Compensation cost of employee share options	-	-	-	7,048	-	-	-	-	-	-	7,048
BALANCE AT JUNE 30, 2022	88,469	$ 884,689	$ -	$ 423,402	$ 207,114	$ 1,373	$ 621,136	$ (14)	$ 260	$ 246	$2,137,960
BALANCE AT JANUARY 1, 2023	90,169	$ 901,689	$ -	$ 626,298	$ 207,114	$ 1,373	$ 635,863	$ (14)	$ 327	$ 313	$2,372,650
Appropriation of 2022 earnings											
Legal reserve	-	-	-	-	5,580	-	(5,580)	-	-	-	-
Special reserve	-	-	-	-	-	(1,373)	1,373	-	-	-	-
Net loss for the six months ended June 30, 2023	-	-	-	-	-	-	(143,391)	-	-	-	(143,391)
Other comprehensive loss for the six months ended June 30, 2023, net of income tax	-	-	-	-	-	-	-	-	(1,331)	(1,331)	(1,331)
Compensation cost of employee share options	-	-	-	6,676	-	-	-	-	-	-	6,676
Convertible bonds converted to ordinary shares	-	-	1,143	13,823	-	-	-	-	-	-	14,966
BALANCE AT JUNE 30, 2023	90,169	$ 901,689	$ 1,143	$ 646,797	$ 212,694	$ -	$ 488,265	$ (14)	$ (1,004)	$ (1,018)	$2,249,570

The accompanying notes are an integral part of the consolidated financial statements.
（With Deloitte & Touche review report dated July 27, 2023）

RICHWAVE TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (Loss) before income tax for the period	$ (181,017)	$ 41,108
Adjustments for:		
Depreciation expense	54,749	51,797
Amortization expense	14,168	13,535
Expected credit loss (reversed)	(889)	4,305
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(1,560)	-
Finance costs	2,770	1,854
Interest income	(9,539)	(2,734)
Compensation cost of employee share options	6,676	7,048
Profit from lease modification	-	(627)
Write-down (Reversal) of inventories	(5,255)	69,388
Net gain on foreign currency exchange	(18,435)	(36,374)
Loss on disposal of property, plant and equipment	10	20
Changes in operating assets and liabilities		
Trade receivables	(123,490)	(202,354)
Other receivables	1,641	(14,165)
Inventories	247,147	347,809
Net defined benefit assets	(314)	(302)
Prepayments	(59,526)	(22,379)
Other current assets	27	(4,125)
Refund liabilities	29,585	36,545
Trade payables	(93,502)	155,543
Other payables	(20,605)	(28,879)
Accrued profit sharing to employees and bonus to directors	2,694	4,064
Other current liabilities	714	4
Contract liabilities	2,162	(4,059)
Cash generated from operations	(151,789)	417,022
Interest received	9,263	1,957
Interest paid	(167)	(1,933)
Income tax paid	(10,510)	(7,183)
Net cash generated (used) from operating activities	(153,203)	409,863

(Continued)

RICHWAVE TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2023	**2022**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at amortized cost	$ 3,000	$ 97,100
Payments for property, plant and equipment	(62,081)	(27,513)
Decrease (Increase) in refundable deposits	(118)	3,803
Payments for intangible assets	(26,886)	(30,726)
Proceeds from disposal of property, plant and equipment	254	14
Net cash (used) from in investing activities	(85,831)	42,678
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	-	860,000
Decrease in short-term bank loans	-	(630,000)
Repayments of Lease principal	(15,133)	(15,594)
Net cash (used) from in financing activities	(15,133)	214,406
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	4,828	30,594
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(249,339)	697,541
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,015,303	641,340
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 765,964	$ 1,338,881

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.
（With Deloitte & Touche review report dated July 27, 2023）

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

1. GENERAL INFORMATION

Richwave Technology Corp. (the "Company") was incorporated in the Republic of China (ROC) in January 2004. The Company is mainly engaged in the design and sale of integrated circuits (ICs) for wireless communication products. The Company's shares have been listed on the Taiwan Stock Exchange (TWSE) since November 2015.

The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

Richwave Technology Corp. and its subsidiaries are collectively referred to as the "Group" hereinafter.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on July 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 any material impact on the Group's accounting policies.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024
Amendments to IAS 12 "International Tax Reform - Pillar Two Model Rules"	Note 3

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

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

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

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact 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 MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that 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 and asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of consolidation

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

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.

See Note 11, Table 2 and Table 3 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please 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) Income tax expense

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

For the critical accounting judgments and key sources of estimation, uncertainty and assumption applied in these consolidated financial statements, please refer to the consolidated financial statements for the year ended December 31, 2022.

6. CASH AND CASH EQUIVALENTS

	June 30, 2023	December 31, 2022	June 30, 2022
Cash on hand	$ 871	$ 611	$ 648
Demand deposits	180,533	661,142	155,441
Cash equivalents			
Time deposits with original maturities of 3 months or less	584,560	353,550	1,182,792
	$ 765,964	$ 1,015,303	$ 1,338,881

The market rate intervals of cash and time deposits with original maturities of 3 months or less at the end of the reporting period were as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Bank balance	0.01%-1.35%	0.01%-1.05%	0.03%-0.35%
Time deposits with original maturities of 3 months or less	1.00%-5.50%	0.95%-5.02%	0.5%-1.70%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2023	December 31, 2022	June 30, 2022
Financial assets at FVTPL - non-current			
Financial assets held for trading			
Derivative financial assets (not under hedge accounting)			
Convertible options (Note 17)	$ 1,024	$ -	$ -
Financial liabilities at FVTPL - non-current			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Convertible options (Note 17)	$ -	$ 480	$ -

8. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2023	December 31, 2022	June 30, 2022
Non-current			
Time deposits with original maturities of more than 1 year	$ -	$ 3,000	$ 3,000
Pledged Certificate of deposit (b)	9,900	9,900	9,900
	$ 9,900	$ 12,900	$ 12,900

a. The ranges of interest rates for time deposits were approximately 1.40%, 0.76%-1.03% and 0.76%-1.025% per annum as of June 30, 2023, December 31, 2022 and June 30, 2022, respectively.

b. Refer to Note 30 for information relating to investments in financial assets at amortized cost pledged as security.

9. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	June 30, 2023	December 31, 2022	June 30, 2022
Accounts receivable (Note 22)			
At amortized cost			
Gross carrying amount	$ 1,200,618	$ 1,058,574	$ 965,053
Less: Allowance for impairment loss	(11,311)	(12,200)	(4,384)
	$ 1,189,307	$ 1,046,374	$ 960,669
Other receivables			
Tax refund receivable	$ 3,549	$ 4,976	$ 11,008
Others	31,423	31,361	13,445
	$ 34,972	$ 36,337	$ 24,453

The average credit period on sales of goods was 30 to 90 days. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at balance sheet dates to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off an accounts receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

June 30, 2023

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 90 Days Past Due	91 to 180 Days Past Due	Over 180 Days Past Due	Individual Identification	Total
Expected credit loss rate	0.04%	1.93%	6.53%	6.89%	9.41%	-	100%	
Gross carrying amount	$ 1,031,431	$ 87,366	$ 45,658	$ 29,651	$ 2,512	$ -	$ 4,000	$ 1,200,618
Loss allowance (Lifetime ECLs)	(369)	(1,683)	(2,979)	(2,044)	(236)	-	(4,000)	(11,311)
Amortized cost	$ 1,031,062	$ 85,683	$ 42,679	$ 27,607	$ 2,276	$ -	$ -	$ 1,189,307

December 31, 2022

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 90 Days Past Due	91 to 180 Days Past Due	Over 180 Days Past Due	Individual Identification	Total
Expected credit loss rate	0.04%	1.93%	6.53%	6.89%	9.42%	-	100%	
Gross carrying amount	$ 873,168	$ 111,099	$ 25,348	$ 27,769	$ 16,577	$ -	$ 4,613	$ 1,058,574
Loss allowance (Lifetime ECLs)	(318)	(2,140)	(1,654)	(1,914)	(1,561)	-	(4,613)	(12,200)
Amortized cost	$ 872,850	$ 108,959	$ 23,694	$ 25,855	$ 15,016	$ -	$ -	$ 1,046,374

June 30, 2022

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 90 Days Past Due	91 to 180 Days Past Due	Over 180 Days Past Due	Individual Identification	Total
Expected credit loss rate	0.02%	1.34%	27.62%	29.72%	7.52%	100%	-	
Gross carrying amount	$ 919,659	$ 38,412	$ 13	$ 425	$ 2,896	$ 3,648	$ -	$ 965,053
Loss allowance (Lifetime ECLs)	-	(407)	(4)	(122)	(203)	(3,648)	-	(4,384)
Amortized cost	$ 919,659	$ 38,005	$ 9	$ 303	$ 2,693	$ -	$ -	$ 960,669

The movements of the loss allowance of accounts receivable were as follows:

	For the Six Months Ended June 30	
	2023	2022
Balance at January 1	$ 12,200	$ 79
Add: Net remeasurement of loss allowance	-	4,305
Less: Net remeasurement of loss allowance	(889)	-
Balance at June 30	$ 11,311	$ 4,384

10. INVENTORIES

	June 30, 2023	December 31, 2022	June 30, 2022
Finished goods	$ 185,936	$ 259,605	$ 206,265
Work in progress	271,860	267,130	277,895
Raw materials	227,805	400,758	472,103
	$ 685,601	$ 927,493	$ 956,263

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Cost of inventories sold	$ 553,330	$ 582,398	$ 1,045,294	$ 1,174,215
Inventory write-downs (reversed)	6,579	17,826	(5,255)	69,388
	$ 559,909	$ 600,224	$ 1,040,039	$ 1,243,603

Inventory write-downs were reversed as a result of the selling of inventories that had been written down.

11. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%) June 30, 2023	December 31, 2022	June 30, 2022	Remark
Richwave Technology Corp.	Minerva Technology Co.	Investment	100	100	100	1, 3
Richwave Technology Corp.	Yinghon Technology Co.	Development, manufacturing and sales of ICs	100	100	100	2, 3
Richwave Technology Corp.	AEGIS LINK CORP.	Selling and marking	100	-	-	1, 3
Minerva Technology Co.	AEGIS LINK CORP.	Selling and marking	-	100	100	1, 3

Remark:

1) In December 2018, the Company established Minerva Technology Co. in Belize with an investment of USD 550 thousand. Minerva Technology Co. reinvested in and established AEGIS LINK CORP. in USA with USD 500 thousand in January 2019. In May 2023, the Company acquired 100% of the shares of AEGIS LINK CORP. at USD 395 thousand from Minerva Technology Co. For details of the investment refer to Table 2.

2) In May 2021, the Company established Shenzhen Richwave Technology Co. Ltd. in Shen Zhen with an investment of USD 1,000 thousand. Shenzhen Richwave Technology Co. Ltd. was renamed to Yinghon Technology Co. in September 2021. On February 24, 2022, the board of directors approved a capital increase of USD 1,000 thousand to Yinghon Technology Co. Investment Commission, MOEA approved the capital increase on April 14, 2022, and the Company completed the capital increase in June 2022. Information on investments in mainland China please refer to Table 3.

3) Minerva Technology Co., Yinghon Technology Co. and AEGIS LINK CORP. are immaterial subsidiaries; their financial statements have not been reviewed.

12. PROPERTY, PLANT AND EQUIPMENT

	Testing Equipment	Computer Equipment	Other Equipment	Total
Cost				
Balance at January 1, 2023	$ 183,240	$ 25,940	$ 157,494	$ 366,674
Additions	29,169	1,710	28,457	59,336
Disposals	(412)	-	-	(412)
Effects of foreign currency exchange differences	-	(26)	(280)	(306)
Balance at June 30, 2023	$ 211,997	$ 27,624	$ 185,671	$ 425,292

(Continued)

	Testing Equipment	Computer Equipment	Other Equipment	Total
Accumulated depreciation				
Balance at January 1, 2023	$ 80,281	$ 12,754	$ 84,457	$ 177,492
Depreciation expense	15,311	3,069	21,350	39,730
Disposals	(148)	-	-	(148)
Effects of foreign currency exchange differences	-	(8)	(33)	(41)
Balance at June 30, 2023	$ 95,444	$ 15,815	$ 105,774	$ 217,033
Carrying amount at June 30, 2023	$ 116,553	$ 11,809	$ 79,897	$ 208,259
Carrying amount at December 31, 2022	$ 102,959	$ 13,186	$ 73,037	$ 189,182
Cost				
Balance at January 1, 2022	$ 163,742	$ 19,929	$ 113,721	$ 297,392
Additions	341	5,862	15,018	21,221
Disposals	-	-	(86)	(86)
Transfers from prepayments	6,317	-	336	6,653
Effects of foreign currency exchange differences	-	6	50	56
Balance at June 30, 2022	$ 170,400	$ 25,797	$ 129,039	$ 325,236
Accumulated depreciation				
Balance at January 1, 2022	$ 51,759	$ 6,947	$ 46,008	$ 104,714
Depreciation expense	13,968	2,664	19,315	35,947
Disposals	-	-	(52)	(52)
Effects of foreign currency exchange differences	-	1	-	1
Balance at June 30, 2022	$ 65,727	$ 9,612	$ 65,271	$ 140,610
Carrying amount at June 30, 2022	$ 104,673	$ 16,185	$ 63,768	$ 184,626

(Concluded)

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

Testing equipment	1-6 years
Computer equipment	3-4 years
Other equipment	3 years

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2023	December 31, 2022	June 30, 2022
Carrying amount			
Buildings	$ 29,024	$ 28,250	$ 43,086

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Additions to right-of-use assets			$ 15,861	$ 5,730
Depreciation charge for right-of-use assets				
Buildings	$ 7,508	$ 7,902	$ 15,019	$ 15,850
Income from the subleasing of right-of-use assets (presented in other income)	$ (229)	$ (202)	$ (468)	$ (408)

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

b. Lease liabilities

	June 30, 2023	December 31, 2022	June 30, 2022
Carrying amount			
Current	$ 17,625	$ 22,828	$ 29,430
Non-current	$ 11,585	$ 5,747	$ 14,258

Range of discount rate for lease liabilities was as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Buildings	1.50%	1.50%	1.50%

c. Material leasing activities and terms

The Group leases buildings for the use of plants, offices and parking spaces with lease terms of 1 to 3 years. The Group does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor’s consent.

d. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Expenses relating to short-term leases	$ 1,604	$ 684	$ 3,461	$ 1,818
Total cash outflow for leases			$ (18,761)	$ (17,715)

The Group's leases of certain parking spaces, offices and staff dormitories qualify as short-term leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. OTHER INTANGIBLE ASSETS

	Computer Software	Specialized Techniques	Trademarks	Total
Cost				
Balance at January 1, 2023	$ 42,838	$ 3,500	$ -	$ 46,338
Additions	30,734	-	46	30,780
Disposals	(14,128)	-	-	(14,128)
Balance at June 30, 2023	$ 59,444	$ 3,500	$ 46	$ 62,990
Accumulated amortization				
Balance at January 1, 2023	$ 30,264	$ 1,198	$ -	$ 31,462
Additions	13,990	176	2	14,168
Disposals	(14,128)	-	-	(14,128)
Effects of foreign currency exchange differences	-	-	1	1
Balance at June 30, 2023	$ 30,126	$ 1,374	$ 3	$ 31,503
Carrying amount at June 30, 2023	$ 29,318	$ 2,126	$ 43	$ 31,487
Carrying amount at December 31, 2022	$ 12,574	$ 2,302	$ -	$ 14,876
Cost				
Balance at January 1, 2022	$ 37,593	$ 3,000	$ -	$ 40,593
Additions	19,805	500	-	20,305
Disposals	(14,146)	-	-	(14,146)
Balance at June 30, 2022	$ 43,252	$ 3,500	$ -	$ 46,752

(Continued)

	Computer Software	Specialized Techniques	Trademarks	Total
Accumulated amortization				
Balance at January 1, 2022	$ 14,808	$ 851	$ -	$ 15,659
Additions	13,364	171	-	13,535
Disposals	(14,146)	-	-	(14,146)
Balance at June 30, 2022	$ 14,026	$ 1,022	$ -	$ 15,048
Carrying amount at June 30, 2022	$ 29,226	$ 2,478	$ -	$ 31,704

(Concluded)

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

Computer software	1-6 years
Specialized techniques	10 years
Trademarks	9 years

15. OTHER ASSETS

	June 30, 2023	December 31, 2022	June 30, 2022
Current			
Prepayments			
Prepaid expenses	$ 27,322	$ 24,301	$ 19,612
Prepayment for purchases	88,922	32,417	30,353
	$ 116,244	$ 56,718	$ 49,965
Other current assets			
Temporary payments	$ 10,287	$ 10,314	$ 10,652

16. SHORT-TERM BORROWINGS

	June 30, 2023	December 31, 2022	June 30, 2022
Unsecured borrowings			
Line of credit borrowings	$ -	$ -	$ 430,000

The effective interest rate of the line of credit borrowings was 1.12%-1.20% per annum at June 30, 2022.

17. BONDS PAYABLE

	June 30, 2023	December 31, 2022	June 30, 2022
Unsecured domestic convertible bonds	$ 284,400	$ 300,000	$ -
Less: Discount on bonds payable	(10,526)	(13,707)	-
	$ 273,874	$ 286,293	$ -

At July 29, 2022, the Company issued 3 thousand, 0% NTD-denominated unsecured convertible bonds in Taiwan, with an aggregate principal amount of $300,000 thousand. The issue price was based on 104.98% of the face value.

Each bond entitles the holder to convert it into ordinary shares of the Company at a conversion price of $136.5. Conversion may occur at any time between October 30, 2022 and July 29, 2025.

If the closing price of shares for each of 30 consecutive trading days is at least 130% of the conversion price between the 3 months after the share issuance date and the 40th day before the maturity date, the Company may redeem all the outstanding bonds at their principal amount. If the amount outstanding of bonds is less than 10% of the principal amount, the Company may also redeem the outstanding bonds at their principal amount.

Bondholders have the option to notify the Company of their request for bond redemption within 30 days prior to the second anniversary of the issuance date, and the Company should redeem the bonds at face value.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 1.81% per annum on initial recognition.

Proceeds from issuance (less transaction costs of $2,610 thousand)	$ 312,341
Redeemable and puttable option component	300
Equity component (less transaction costs allocated to the equity component of $221 thousand)	(28,500)
Liability component at the date of issue (less transaction costs allocated to the liability component of $2,389 thousand)	284,141
Interest charged at an effective interest rate of 1.81%	4,755
Convertible bonds converted into ordinary shares	(15,022)
Liability component at June 30, 2023	$ 273,874

18. ACCOUNTS PAYABLE

	June 30, 2023	December 31, 2022	June 30, 2022
Accounts payable			
Generated from operating activities	$ 301,164	$ 388,724	$ 396,708

The average credit period was 30 to 60 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

19. OTHER LIABILITIES

	June 30, 2023	December 31, 2022	June 30, 2022
Current			
Other payables			
Payables for salaries and bonuses	$ 60,489	$ 78,517	$ 59,275
Payables for testing fee	11,007	8,069	9,231
Payables for annual leave	9,873	9,127	9,741
Payables for insurance premium	7,688	11,833	10,863
Payables for research and design fee	6,720	8,343	5,330
Payables for purchases of equipment	5,898	7,312	3,333
Payables for freight cost	4,059	5,107	6,803
Payables for software usage fee	3,929	35	177
Others	21,858	21,466	9,900
	$ 131,521	$ 149,809	$ 114,653
Refund liabilities (Note 22)	$ 215,050	$ 185,465	$ 208,163
Other liabilities			
Receipts under custody	$ 7,143	$ 6,415	$ 5,639
Contract liabilities (Note 22)	3,201	1,039	991
Temporary receipts	-	14	15
	$ 10,344	$ 7,468	$ 6,645

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

Apart from Yinghon Technology Co., the Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plan

For the three months ended and six month ended June 30, 2023 and 2022, the pension expenses of defined benefit plans were $(7) thousand, $0 thousand, $(13) thousand and $(1) thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2022 and 2021, respectively.

21. EQUITY

a. Ordinary shares

	June 30, 2023	December 31, 2022	June 30, 2022
Number of shares authorized (in thousands of shares)	200,000	200,000	200,000
Shares authorized	$ 2,000,000	$ 2,000,000	$ 2,000,000
Number of shares issued and fully paid (in thousands of shares)	90,169	90,169	88,469
Shares issued and fully paid	$ 901,689	$ 901,689	$ 884,689
Advance receipts for share capital	$ 1,143	$ -	$ -

A holder of ordinary shares issued with par value of $10 is entitled to vote and to receive dividends.

The authorized shares include 10,000 thousand shares reserved for the exercise of employee share options.

On April 28, 2022, the Company's board of directors resolved to issue 1,700 thousand ordinary shares with a par value of $10, for a consideration of $105 per share which were fully paid. On July 6, 2022, the above transaction was approved by the FSC, and the subscription base date was September 12, 2022. The Company has completed the alteration registration.

b. Capital surplus

	June 30, 2023	December 31, 2022	June 30, 2022
Maybe used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Issuance of ordinary shares	$ 497,045	$ 497,045	$ 330,128
May be used to offset a deficit			
Issuance of ordinary shares (exercised or expired employee share options)	85,484	85,484	85,052
Conversion of bonds	15,305	-	-
May not be used for any purpose			
Employee share options	21,945	15,269	8,222
Share options	27,018	28,500	-
	$ 646,797	$ 626,298	$ 423,402

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

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Company's Articles of Incorporation ("Articles"), where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. Refer to Note 23(g) for the policies on the distribution of compensation of employees and remuneration of directors.

The Company's Articles also stipulate a balanced and stable dividends policy whereby share and cash dividends are distributed based on the Company's profitability, financial structure and future development plans. Dividends may be distributed in form of cash or shares taking into consideration future profitability and funding needs, out of which the total cash dividends paid in any given year shall be at least 10% of the total dividends distributed.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficits and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2022 and 2021 that had been resolved by the shareholders in their meetings on May 25, 2023 and May 26, 2022, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2022	**2021**
Legal reserve	$ 5,580	$ 46,444
Special reserve (Reversal of special reserve)	$ (1,373)	$ 272
Cash dividends	$ -	$ 309,642
Cash dividends per share (NT$)	$ -	$ 3.50

d. Special reserve

	For the Six Months Ended June 30	
	2023	**2022**
Balance at January 1	$ 1,373	$ 1,101
Appropriations in respect of		
Debits to other equity items	-	272
Reversals:		
Reversal of the debits to other equity items	(1,373)	-
Balance at June 30	$ -	$ 1,373

e. Other equity items

1) Exchange differences on translation of the financial statements of foreign operations

	For the Six Months Ended June 30	
	2023	2022
Balance at January 1	$ 327	$ (1,359)
Recognized for the year		
Exchange differences on translation of the financial statements of foreign operations	(1,331)	1,619
Balance at June 30	$ (1,004)	$ 260

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Six Months Ended June 30	
	2023	2022
Balance at January 1 and June 30	$ (14)	$ (14)

22. REVENUE

a. Contract revenue from customers

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Revenue from the sale of goods	$ 737,954	$ 876,461	$ 1,374,928	$ 1,739,152

b. Contract information

As wireless communication products are innovative and the prices are highly volatile, the discount is estimated at the most likely amount based on the range of discounts given in the past. Based on conventional business practices, the Group accepts the return of goods with full refunds and estimates the discount rate based on most likely amount from past experience, and recognizes the refund liabilities accordingly.

c. Contract balances

	June 30, 2023	December 31, 2022	June 30, 2022	January 1, 2022
Accounts receivable (Note 9)	$ 1,189,307	$ 1,046,374	$ 960,669	$ 752,673
Contract liabilities (Note 19)				
Sale of goods	$ 3,201	$ 1,039	$ 991	$ 5,050

d. Disaggregation of revenue

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Type of goods or services				
WIFI products	$ 697,586	$ 796,565	$ 1,322,924	$ 1,619,789
Others	40,368	79,896	52,004	119,363
	$ 737,954	$ 876,461	$ 1,374,928	$ 1,739,152

23. NET PROFIT (LOSS)

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Bank deposits	$ 4,407	$ 2,271	$ 9,517	$ 2,722
Deposit interest	11	6	22	12
	$ 4,418	$ 2,277	$ 9,539	$ 2,734

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Rental income	$ 229	$ 202	$ 468	$ 408
Government Grant	-	74	-	108
Others	1	13	18	24
	$ 230	$ 289	$ 486	$ 540

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Net foreign exchange gains	$ 19,788	$ 31,436	$ 15,671	$ 62,908
Fair value changes of financial assets and liabilities designated as at FVTPL	1,110	-	1,560	-
Gains (loss) on disposal of property, plant and equipment	52	(20)	(10)	(20)
Profit from lease modification	-	-	-	627
Others	(2)	-	(11)	(305)
	$ 20,948	$ 31,416	$ 17,210	$ 63,210

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Interest on convertible bonds	$ 1,304	$ -	$ 2,603	$ -
Interest on lease liabilities	106	144	167	303
Interest on bank loans	-	1,192	-	1,551
	$ 1,410	$ 1,336	$ 2,770	$ 1,854

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
An analysis of depreciation by function				
Operating costs	$ -	$ -	$ -	$ 499
Selling and marketing expenses	2,541	2,879	4,611	5,066
General and administrative expenses	5,275	4,896	10,523	10,769
Research and development expenses	20,057	18,361	39,615	35,463
	$ 27,873	$ 26,136	$ 54,749	$ 51,797
An analysis of amortization by function				
Selling and marketing expenses	$ -	$ 88	$ 16	$ 185
General and administrative expenses	1,265	793	2,004	1,635
Research and development expenses	6,789	6,023	12,148	11,715
	$ 8,054	$ 6,904	$ 14,168	$ 13,535

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Post-employment benefits (Note 20)				
Defined contribution plans	$ 4,920	$ 4,505	$ 9,869	$ 9,040
Defined benefit plans	(7)	-	(13)	(1)
	4,913	4,505	9,856	9,039
Share-based payments				
Equity-settled	3,338	3,524	6,676	7,048
Other employee benefits	141,512	130,214	279,296	254,624
Total employee benefits expense	$ 149,763	$ 138,243	$ 295,828	$ 270,711
An analysis of employee benefits expense by function				
Selling and marketing expenses	$ 28,368	$ 21,003	$ 55,808	$ 44,546
General and administrative expenses	34,476	33,468	69,447	75,680
Research and development expenses	86,919	83,772	170,573	150,485
	$ 149,763	$ 138,243	$ 295,828	$ 270,711

g. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates no less than 8% and no higher than 1%, respectively, of net profit before income tax, compensation of employees and remuneration of directors.

The Company did not estimate compensation of employees and remuneration of directors for the three months and six months ended June 30, 2023, because the Company suffered a net loss before income tax for the period. The compensation of employees and remuneration of directors for the three months and six months ended June 30, 2022 are as follows:

Accrual rate

	For the Six Months Ended June 30
	2022
Compensation of employees	8%
Remuneration of directors	1%

Amount

	For the Three Months Ended June 30	For the Six Months Ended June 30
	2022	2022
Compensation of employees	$ 3,443	$ 3,612
Remuneration of directors	$ 431	$ 452

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The appropriations of employees' compensation for 2022 and 2021 that were resolved by the board of directors on February 23, 2023 and February 24, 2022, respectively, are as shown below.

	For the Year Ended December 31			
	2022		2021	
	Cash	Shares	Cash	Shares
Compensation of employees	$ 8,082	$ -	$ 46,321	$ -
Remuneration of directors	673	-	5,790	-

The Company held board of directors' meetings on February 23, 2023, and the amount of the compensation of employees approved in the board of directors' meeting was differ from the amounts recognized in the consolidated financial statements for the year ended December 31, 2022. The differences were adjusted to profit and loss for the year ended December 31, 2023.

	For the Year Ended December 31, 2022
Amounts approved in the board of directors' meeting	$ 8,082
Amounts recognized in the annual consolidated financial statements	$ 5,388

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

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors in 2023 and 2022 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gain or loss on foreign currency exchange

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Foreign exchange gains	$ 19,788	$ 44,961	$ 20,167	$ 79,720
Foreign exchange losses	-	(13,525)	(4,496)	(16,812)
Net gain on foreign currency exchange	$ 19,788	$ 31,436	$ 15,671	$ 62,908

24. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense (benefit) are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Current tax				
In respect of the current period	$ 4	$ 10,380	$ 4	$ 14,541
Income tax on unappropriated earnings	-	2,904	-	2,904
Adjustments for prior year	(1,884)	(3,766)	(1,884)	(3,766)
Deferred tax				
In respect of the current period	(13,798)	(8,343)	(35,746)	(13,642)
Income tax expense (benefit) recognized in profit or loss	$ (15,678)	$ 1,175	$ (37,626)	$ 37

b. Income tax assessments

The Company’s tax returns through 2021 have been assessed by the tax authorities.

25. EARNINGS (LOSS) PER SHARE

Unit : NT$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Basic earnings per share	$ (0.60)	$ 0.43	$ (1.59)	$ 0.46
Diluted earnings per share	$ (0.60)	$ 0.43	$ (1.59)	$ 0.46

Net Profit (Loss)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Earnings (loss) used in the computation of basic and diluted earnings (loss) per share	$ (54,458)	$ 37,940	$ (143,391)	$ 41,071

The weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	**2022**	**2023**	**2022**
Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share	90,169	88,469	90,169	88,469
Effect of potentially dilutive ordinary shares				
Compensation of employees	-	23	-	86
Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share	90,169	88,492	90,169	88,555

Since the Group may settle compensation of employees in cash or shares, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares 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.

26. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee share option plan

The Company issued 300 units of employee share options on November 29, 2021. On the grant date, each option entities the holder with the right to subscribe for one thousand ordinary share of the Company at the exercise price of NT$279 per share. The options are granted to the employees of the Company and its subsidiaries that meet certain criteria. The expected lifetime of the options is 4 years. The options are exercisable by the qualified employees at 50% after the second year from the grant date, and another two tranches of 25% exercisable after third and fourth years from the grant date. The vesting period will end on November 29, 2025.

Information on outstanding employee share options is as follows:

	For the Six Months Ended June 30			
	2023		**2022**	
	Number of Options (In Thousands of Units)	**Weighted-average Exercise Price (NT$)**	**Number of Options (In Thousands of Units)**	**Weighted-average Exercise Price (NT$)**
Balance at January 1 and June 30	300	$ 272.9	300	$ 279
Options exercisable, end of the period	-		-	
Weighted - average fair value of options granted (NT$)	$ 122.02		$ 122.02	

As of the balance sheet date, information about employee share options outstanding was as follows:

	June 30, 2023	June 30, 2022
Range of exercise price (NT$)	$ 272.9	$ 279
Weighted average remaining contractual life (in years)	2.75	3.75

The options granted by the Company are priced using the Black-Scholes pricing model and the related inputs to the model are as follows:

	November 29, 2021
Grant-date share price	NT$279
Expected volatility	59.55%、57.55% and 56.53%
Risk-free interest rate	0.40%、0.41% and 0.42%
Expected dividend yield rate	-
Expected life	3.5 years、4 years and 4.5 years

Compensation costs recognized were $3,338 thousand and $3,524 thousand for the three months ended June 30, 2023 and 2022, respectively; and $6,676 thousand and $7,048 thousand for the six months ended June 30, 2023 and 2022, respectively.

27. 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 stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

The key management personnel of the Group review the capital structure on regular basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders and the number of new shares issued.

28. FINANCIAL INSTRUMENTS

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

June 30, 2023

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 273,874	$ -	$ 274,958	$ -	$ 274,958

December 31, 2022

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 286,293	$ -	$ 287,400	$ -	$ 287,400

The fair values of the financial assets and financial liabilities included in the Level 2 category above have been determined in accordance with the binary tree pricing model for convertible bonds.

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

1) Fair value hierarchy

June 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative	$ -	$ 1,024	$ -	$ 1,024

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Derivative	$ -	$ 480	$ -	$ 480

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

2) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instrument	Valuation Technique and Inputs
Derivatives - redeemable and puttable option of convertible bonds	Binary tree pricing model for convertible bonds. Track the evolution of key underlying variables of options in discrete time through a binary tree over multiple time steps between evaluation date and maturity date. Each node of the tree represents a possible price at a particular point in time.

c. Categories of financial instruments

		June 30, 2023		December 31, 2022		June 30, 2022
Financial assets						
FVTPL						
Held for trading	$	1,024	$	-	$	-
Financial assets at amortized cost (1)		2,007,509		2,118,162		2,345,886
Financial liabilities						
FVTPL						
Held for trading		-		480		-
Amortized cost (2)		637,822		738,784		877,463

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, accounts receivable, other receivables, financial assets at amortized cost and refundable deposits.

2) The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, accounts payable, other payables, bonds payable and guarantee deposits.

d. Financial risk management objectives and policies

The Group's major financial instruments included accounts receivable, accounts payable, short-term borrowings and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and 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 (including foreign currency risk, interest rate risk and other price risk), credit risk, and liquidity risk.

The Group did not use derivative financial instruments to minimize the effect of these risks, but it uses natural hedging from operations and borrowings denominated in foreign currencies to mitigate the impact of foreign currency risk.

The corporate treasury function reports monthly to the Group's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency risk (see (a) below) and interest rates (see (b) below).

a) Foreign currency risk

The Group has foreign currency denominated sales and purchases, which expose the Group to foreign currency risk. Approximately 49% of the Group's sales is denominated in currencies other than the functional currency of the entity in the Group making the sale, whilst almost 74% of costs is denominated in currencies other than the functional currency of the entity in the Group.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the period are set out in Note 32.

Sensitivity analysis

The Group was mainly exposed to the USD.

The following table details the Group's sensitivity to a 2% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 2%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the period for a 2% change in foreign currency rates. A positive (negative) number below indicates an increase in pre-tax profit associated with New Taiwan dollar strengthening (weakening) 2% against the relevant currency.

	USD Impact	
	For the Six Months Ended June 30	
	2023	2022
Profit or (loss)	$ 25,557	$ 26,042

This was mainly attributable to the exposure on outstanding accounts receivable, cash and cash equivalents and accounts payable denominated in USD that were not hedged at the balance sheet dates.

The Group's sensitivity to foreign currency increased during the current period mainly due to increase in the accounts receivable denominated in USD.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetites ensuring the most cost-effective hedging strategies are applied.

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

	June 30, 2023	December 31, 2022	June 30, 2022
Fair value interest rate risk			
Financial assets	$ 594,460	$ 366,450	$ 1,195,692
Financial liabilities	303,084	314,868	473,688
Cash flow interest rate risk			
Financial assets	180,533	661,142	155,441

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. A 0.25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.25 basis point higher/lower and all other variables were held constant, the Group's pre-tax profit for the six months ended June 30, 2023 and 2022 would have increased/decreased by $226 thousand and $194 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the balance sheet date, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group adopted a policy of dealing only with reputable parties and, where necessary, obtains appropriate guarantees to mitigate the risk of financial losses resulting from the default of payment. The Group assesses the creditability of the key customers based on financial information available and mutual transaction records. The Group continuously monitors the credit risk and credit rating of the counterparties, distributes the total transaction amount to customers with sound credit ratings, and controls the credit risk by ensuring that each counterparty's credit limit is reviewed and approved by the risk management committee.

The Group assesses the financial position of customers with outstanding accounts receivable balances regularly and requests for collateral if necessary.

The Group's concentration of credit risk is mainly related to the top five largest customers, which represents 88%, 89% and 83% of total accounts receivable as of June 30, 2023, December 31, 2022 and June 30, 2022, respectively.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. Refer to (b) below for the amount of unsecured short-term bank loan facilities of the Group as of June 30, 2023, December 31, 2022 and June 30, 2022:

a) Liquidity and interest risk rate table for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, financial liabilities with a repayment on demand clause are included in the earliest time band regardless of the probability of the creditors choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

June 30, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Non-derivative financial liabilities				
Non-interest bearing	$ 156,793	$ 159,061	$ 46,469	$ 286,025
Lease liabilities	-	5,656	12,200	11,911
	$ 156,793	$ 164,717	$ 58,669	$ 297,936

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years
Lease liabilities	$ 17,856	$ 11,911

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Non-derivative financial liabilities				
Non-interest bearing	$ 253,951	$ 175,855	$ 21,083	$ 301,602
Lease liabilities	-	7,631	15,459	5,744
	$ 253,951	$ 183,486	$ 36,542	$ 307,346

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years
Lease liabilities	$ 23,090	$ 5,744

June 30, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Non-derivative financial liabilities				
Non-interest bearing	$ 191,026	$ 213,554	$ 42,785	$ -
Lease liabilities	-	7,644	22,058	14,318
Fixed interest rate liabilities	98	280,000	150,000	-
	$ 191,124	$ 501,198	$ 214,843	$ 14,318

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years
Lease liabilities	$ 29,702	$ 14,318

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the period.

b) Financing facilities

	June 30, 2023	December 31, 2022	June 30, 2022
Unsecured bank loan facilities			
Amount used	$ -	$ -	$ 430,000
Amount unused	680,000	680,000	443,180
Financial assets	$ 680,000	$ 680,000	$ 873,180

29. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows.

a. Remuneration of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Short-term employee benefits	$ 10,606	$ 11,147	$ 21,188	$ 22,725
Post-employment benefits	297	296	594	594
	$ 10,903	$ 11,443	$ 21,782	$ 23,319

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

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for customs import goods tax and performance guarantee:

	June 30, 2023	December 31, 2022	June 30, 2022
Pledged deposits (classified as financial assets at amortized cost)	$ 9,900	$ 9,900	$ 9,900

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group at the balance sheet dates were as follows:

a. Significant commitments

Under a sales agreement, the Group shall pay royalties at a certain percentage of net sales of certain products. Royalty expenses amounted to $1,119 thousand and $750 thousand for the three months ended June 30, 2023 and 2022, respectively; and $1,576 thousand and $750 thousand for the six months ended June 30, 2023 and 2022, respectively.

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities of the entities in the Group denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

June 30, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 46,764	31.14	$ 1,456,231
Financial liabilities			
Monetary items			
USD	5,728	31.14	178,370

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 49,557	30.71	$ 1,521,895
Financial liabilities			
Monetary items			
USD	14,126	30.71	433,809

June 30, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 52,496	29.72	$ 1,560,181
Financial liabilities			
Monetary items			
USD	8,684	29.72	258,088

The significant unrealized foreign exchange gains (losses) were as follows:

	For the Three Months Ended June 30, 2023		For the Three Months Ended June 30,2022	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains	Exchange Rate	Net Foreign Exchange Gains
USD	30.71	$ 20,402	29.46	$ 8,877

	For the Six Months Ended June 30, 2023		For the Six Months Ended June 30,2022	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains	Exchange Rate	Net Foreign Exchange Gains
USD	30.55	$ 63,943	28.73	$ 32,499

33. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others: None

2) Endorsements/guarantees provided: None

3) Marketable securities held (excluding investments in subsidiaries, associates, and joint ventures): None

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None

5) Acquisitions 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: None

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

9) Trading in derivative instruments: None

10) Intercompany relationships and significant intercompany transactions: Table 1

b. Information on investees: Table 2

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: Table 3

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: None

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period

c) The amount of property transactions and the amount of the resultant gains or losses

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services

d. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: None

34. SEGMENT INFORMATION

The Group is considered a single operating segment. Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group is currently engaged in the design and sale of the wireless communication products, and its operating segment’s profit or loss, assets and liabilities were measured on the same basis as the consolidated financial statements, please refer to accompanying consolidated financial statements.

RICHWAVE TECHNOLOGY CORP. AND SUBSIDIARIES

Intercompany relationships and significant intercompany transactions
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	Richwave Technology Corp.	Yinghon Technology Co.	1	Other accounts payable	$ 14,684	—	-
			1	Operating expenses	39,739	—	3%
		Minerva Technology Co.	1	Temporary receipts	13,720	—	-

Note 1: Companies are numbers as follows:

1. “0” for the Company.
2. Subsidiaries are numbered from Arabic”1” onward.

Note 2：Related party transactions are divided into three categories as below:

1. The Company to the subsidiary.
2. The subsidiary to the Company.
3. Between subsidiaries.

Note 3：The amount was eliminated upon the consolidation.

RICHWAVE TECHNOLOGY CORP. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of June 30, 2023			Net Loss of the Investee	Share of Loss	Note
				June 30, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
Richwave Technology Corp.	Minerva Technology Co.	Belize	Investment	$ 16,940 (USD 550 thousand)	$ 16,940 (USD 550 thousand)	-	100	$ 13,894	$ (31)	$ (31)	The Group's subsidiary (Note)
Richwave Technology Corp.	AEGIS LINK CORP.	USA	Selling and marketing	12,161 (USD 395 thousand)	-	-	100	12,315	(54)	(5)	The Group's subsidiary (Note)
Minerva Technology Co.	AEGIS LINK CORP.	USA	Selling and marketing	-	15,428 (USD 500 thousand)	-	-	-	(54)	(49)	The Group's subsidiary (Note)

Note: The amounts were based on the financial statements which were not reviewed by independent auditors.

TABLE 3

RICHWAVE TECHNOLOGY CORP. AND SUBSIDIARIES

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

Investee Company	Main Businesses and Products	Paid-in capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of June 30, 2023	Accumulated Repatriation of Investment Income as of June 30, 2023	Note
					Outflow	Inflow							
Yinghon Technology Co. （Note 2）	Development, manufacturing and sales of ICs	$ 57,410 (US$ 2,000 thousand)	Direct Investment	$ 57,410 (US$ 2,000 thousand)	$ -	$ -	$ 57,410 (US$ 2,000 thousand)	$ 1,834	100%	$ 1,834	$ 57,130	$ -	The Group’s subsidiary (Note 1)

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2023	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$ 57,410 （US$ 2,000 thousand）	$ 57,410 （US$ 2,000 thousand）	$1,349,742

Note 1: The amounts were based on the financial statements which were not reviewed by independent auditors.

Note 2: Shenzhen Richwave Technology Co. Ltd. was renamed to Yinghon Technology Co. in September 2021.