

**ChipMOS TECHNOLOGIES INC. AND
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND
REVIEW REPORT OF INDEPENDENT ACCOUNTANTS
FOR THE THREE MONTHS ENDED
March 31, 2024 AND 2023**

For the convenience of readers and for information purpose only, the review report of independent accountants and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language review report of independent accountants and consolidated financial statements shall prevail.

ChipMOS TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AND REVIEW REPORT OF INDEPENDENT ACCOUNTANTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
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REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of ChipMOS TECHNOLOGIES INC.

Introduction

We have reviewed the accompanying consolidated balance sheets of ChipMOS TECHNOLOGIES INC. and its subsidiaries (the “Group”) as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards No. 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

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

Conclusion

Based on our reviews and the reports of other independent accountants, as described in the *Other matter* section of the report, nothing has come to our attention that causes 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, 2024 and 2023, 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” that came into effect as endorsed by the Financial Supervisory Commission.

Other matter

We did not review the financial statements of a certain investment accounted for using the equity method which were reviewed by other independent accountants. Therefore, our conclusion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements and the information on the investee disclosed in Note 13 is based solely on the reports of the other independent accountants. The balance of this investment accounted for using the equity method amounted to NT\$288,755 thousand and NT\$298,820 thousand, constituting 0.6% and 0.7% of the consolidated total assets as of March 31, 2024 and 2023, respectively, and total net comprehensive income including the share of profit and other comprehensive income of associate accounted for using the equity method amounted to NT\$11,679 thousand and NT\$31,750 thousand, constituting 2.7% and 13.5% of the consolidated total comprehensive income for the three months then ended, respectively.



Chia-Hung Lin

For and on behalf of PricewaterhouseCoopers, Taiwan

May 9, 2024



Chien-Yeh Hsu

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the review of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and review report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

ChipMOS TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	March 31, 2024		December 31, 2023		March 31, 2023		
		Amount	%	Amount	%	Amount	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 12,164,569	27	\$ 12,354,035	27	\$ 11,735,786	26
1110	Current financial assets at fair value through profit or loss	6(2)	54,505	-	42,735	-	149,300	-
1136	Current financial assets at amortized cost	6(3)	43,156	-	41,066	-	98,462	-
1140	Current contract assets	6(19)	425,487	1	383,883	1	283,846	1
1170	Accounts receivable, net	6(4)	5,178,374	11	5,326,381	12	4,261,446	10
1200	Other receivables		54,967	-	44,576	-	52,675	-
1220	Current tax assets		419	-	403	-	19	-
130X	Inventories	6(5)	2,605,651	6	2,568,648	6	2,889,490	6
1410	Prepayments		131,574	-	120,273	-	130,373	-
1460	Non-current assets held for sale, net	6(9)	4,278,658	10	4,278,658	9	-	-
11XX	Total current assets		<u>24,937,360</u>	<u>55</u>	<u>25,160,658</u>	<u>55</u>	<u>19,601,397</u>	<u>43</u>
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(6)	83,696	-	120,317	-	314,551	1
1535	Non-current financial assets at amortized cost	6(3) and 8	37,411	-	37,411	-	37,362	-
1550	Investments accounted for using equity method	6(7)	301,602	1	290,542	1	4,452,430	10
1600	Property, plant and equipment	6(8) and 8	18,667,655	41	19,139,503	42	19,606,649	43
1755	Right-of-use assets	6(10)	1,126,174	2	1,037,502	2	1,211,269	2
1840	Deferred tax assets		144,729	-	163,282	-	136,678	-
1920	Refundable deposits		20,368	-	20,707	-	21,767	-
1990	Other non-current assets		243,822	1	190,562	-	327,921	1
15XX	Total non-current assets		<u>20,625,457</u>	<u>45</u>	<u>20,999,826</u>	<u>45</u>	<u>26,108,627</u>	<u>57</u>
1XXX	Total assets		<u>\$ 45,562,817</u>	<u>100</u>	<u>\$ 46,160,484</u>	<u>100</u>	<u>\$ 45,710,024</u>	<u>100</u>

(Continued)

ChipMOS TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	March 31, 2024		December 31, 2023		March 31, 2023	
		Amount	%	Amount	%	Amount	%
Liabilities							
Current liabilities							
2100	Short-term bank loans	6(11)(29) \$ 76,458	-	\$ -	-	\$ -	-
2150	Notes payable	1,223	-	484	-	127	-
2170	Accounts payable	848,102	2	784,919	2	571,820	1
2200	Other payables	6(12) 2,693,329	6	3,479,045	7	2,839,300	6
2220	Other payables – related parties	7 -	-	58,549	-	-	-
2230	Current tax liabilities	464,604	1	419,993	1	197,504	1
2250	Current provisions	35,741	-	33,564	-	24,079	-
2280	Current lease liabilities	6(29) 280,065	1	251,668	1	276,013	1
2320	Long-term bank loans, current portion	6(13)(29) and 8 2,562,976	6	2,263,718	5	1,870,602	4
2365	Current refund liabilities	46,060	-	37,667	-	27,969	-
2399	Other current liabilities	24,874	-	23,611	-	22,574	-
21XX	Total current liabilities	<u>7,033,432</u>	<u>16</u>	<u>7,353,218</u>	<u>16</u>	<u>5,829,988</u>	<u>13</u>
Non-current liabilities							
2540	Long-term bank loans	6(13)(29) and 8 11,882,137	26	12,648,001	27	13,280,975	29
2570	Deferred tax liabilities	129,633	-	122,345	-	188,415	-
2580	Non-current lease liabilities	6(29) 874,100	2	813,733	2	958,589	2
2630	Long-term deferred revenue	115,533	-	120,963	-	127,837	-
2640	Net defined benefit liability, non-current	223,904	1	227,337	1	256,149	1
2645	Guarantee deposits	6(29) 21,198	-	21,235	-	21,579	-
25XX	Total non-current liabilities	<u>13,246,505</u>	<u>29</u>	<u>13,953,614</u>	<u>30</u>	<u>14,833,544</u>	<u>32</u>
2XXX	Total liabilities	<u>20,279,937</u>	<u>45</u>	<u>21,306,832</u>	<u>46</u>	<u>20,663,532</u>	<u>45</u>
Equity							
Equity attributable to equity holders of the Company							
Capital stock							
3110	Capital stock – common stock	6(15) 7,272,401	16	7,272,401	16	7,272,401	16
Capital surplus							
3200	Capital surplus	6(16) 6,064,637	13	6,064,637	13	6,064,637	13
Retained earnings							
3310	Legal reserve	2,930,973	6	2,930,973	6	2,575,987	6
3350	Unappropriated retained earnings	8,970,222	20	8,532,433	19	8,860,475	19
Other equity interest							
3400	Other equity interest	6(18) 44,647	-	53,208	-	272,992	1
31XX	Equity attributable to equity holders of the Company	<u>25,282,880</u>	<u>55</u>	<u>24,853,652</u>	<u>54</u>	<u>25,046,492</u>	<u>55</u>
3XXX	Total equity	<u>25,282,880</u>	<u>55</u>	<u>24,853,652</u>	<u>54</u>	<u>25,046,492</u>	<u>55</u>
Significant contingent liabilities and unrecognized contract commitments							
3X2X	Total liabilities and equity	<u>\$ 45,562,817</u>	<u>100</u>	<u>\$ 46,160,484</u>	<u>100</u>	<u>\$ 45,710,024</u>	<u>100</u>

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

ChipMOS TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items		Notes	Three months ended March 31,			
			2024		2023	
			Amount	%	Amount	%
4000	Revenue	6(19)	\$ 5,418,714	100	\$ 4,605,134	100
5000	Cost of revenue	6(5)(24)(25)	(4,648,180)	(86)	(4,035,361)	(88)
5900	Gross profit		<u>770,534</u>	<u>14</u>	<u>569,773</u>	<u>12</u>
	Operating expenses	6(24)(25)				
6100	Sales and marketing expenses		(31,496)	(1)	(28,577)	(1)
6200	General and administrative expenses		(117,305)	(2)	(117,119)	(2)
6300	Research and development expenses		(280,788)	(5)	(254,875)	(5)
6000	Total operating expenses		<u>(429,589)</u>	<u>(8)</u>	<u>(400,571)</u>	<u>(8)</u>
6500	Other income (expenses), net		<u>22,081</u>	<u>1</u>	<u>16,243</u>	<u>-</u>
6900	Operating profit		<u>363,026</u>	<u>7</u>	<u>185,445</u>	<u>4</u>
	Non-operating income (expenses)					
7100	Interest income	6(20)	37,413	1	50,202	1
7010	Other income	6(21)	10,217	-	25,695	1
7020	Other gains and losses	6(22)	174,253	3	(17,891)	(1)
7050	Finance costs	6(23)	(67,196)	(1)	(60,447)	(1)
7060	Share of profit of associates and joint ventures accounted for using equity method	6(7)	<u>1,590</u>	<u>-</u>	<u>45,905</u>	<u>1</u>
7000	Total non-operating income (expenses)		<u>156,277</u>	<u>3</u>	<u>43,464</u>	<u>1</u>
7900	Profit before income tax		<u>519,303</u>	<u>10</u>	<u>228,909</u>	<u>5</u>
7950	Income tax expense	6(26)	<u>(81,514)</u>	<u>(2)</u>	<u>(26,559)</u>	<u>(1)</u>
8200	Profit for the period		<u>\$ 437,789</u>	<u>8</u>	<u>\$ 202,350</u>	<u>4</u>
	Other comprehensive income (loss)					
8316	Unrealized loss on valuation of equity instruments at fair value through other comprehensive income	6(6)(18)	\$ (36,621)	(1)	\$ (23,551)	(1)
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss	6(7)(18)	<u>9,470</u>	<u>-</u>	<u>34,256</u>	<u>1</u>
8349	Income tax effect on components that will not be reclassified to profit or loss	6(18)(26)	<u>7,324</u>	<u>-</u>	<u>4,710</u>	<u>-</u>
8310	Components of other comprehensive (loss) income that will not be reclassified to profit or loss		<u>(19,827)</u>	<u>(1)</u>	<u>15,415</u>	<u>-</u>
8361	Exchange differences on translation of foreign operations	6(18)	<u>11,266</u>	<u>1</u>	<u>16,794</u>	<u>1</u>
8360	Components of other comprehensive income that will be reclassified to profit or loss		<u>11,266</u>	<u>1</u>	<u>16,794</u>	<u>1</u>
8300	Other comprehensive (loss) income, net of income tax		<u>\$ (8,561)</u>	<u>-</u>	<u>\$ 32,209</u>	<u>1</u>
8500	Total comprehensive income for the period		<u>\$ 429,228</u>	<u>8</u>	<u>\$ 234,559</u>	<u>5</u>
9750	Earnings per share – basic	6(27)	<u>\$ 0.60</u>		<u>\$ 0.28</u>	
9850	Earnings per share – diluted	6(27)	<u>\$ 0.60</u>		<u>\$ 0.28</u>	

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

ChipMOS TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to equity holders of the Company							Total equity
		Capital stock – common stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Other equity interest			
						Financial statements translation differences of foreign operations	Unrealized gain (loss) on valuation of financial assets at fair value through other comprehensive income	Equity directly related to non-current assets held for sale	
<u>Year 2023</u>									
Balance at January 1, 2023		\$ 7,272,401	\$ 6,064,637	\$ 2,575,987	\$ 8,657,696	\$ (17,369)	\$ 258,581	\$ -	\$ 24,811,933
Profit for the period		-	-	-	202,350	-	-	-	202,350
Other comprehensive income	6(18)	-	-	-	429	16,794	14,986	-	32,209
Total comprehensive income for the period		-	-	-	202,779	16,794	14,986	-	234,559
Balance at March 31, 2023		<u>\$ 7,272,401</u>	<u>\$ 6,064,637</u>	<u>\$ 2,575,987</u>	<u>\$ 8,860,475</u>	<u>\$ (575)</u>	<u>\$ 273,567</u>	<u>\$ -</u>	<u>\$ 25,046,492</u>
<u>Year 2024</u>									
Balance at January 1, 2024		\$ 7,272,401	\$ 6,064,637	\$ 2,930,973	\$ 8,532,433	\$ (656)	\$ 96,958	\$ (43,094)	\$ 24,853,652
Profit for the period		-	-	-	437,789	-	-	-	437,789
Other comprehensive income (loss)	6(18)	-	-	-	-	11,266	(19,827)	-	(8,561)
Total comprehensive income (loss) for the period		-	-	-	437,789	11,266	(19,827)	-	429,228
Balance at March 31, 2024		<u>\$ 7,272,401</u>	<u>\$ 6,064,637</u>	<u>\$ 2,930,973</u>	<u>\$ 8,970,222</u>	<u>\$ 10,610</u>	<u>\$ 77,131</u>	<u>\$ (43,094)</u>	<u>\$ 25,282,880</u>

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

ChipMOS TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31,	
		2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before income tax		\$ 519,303	\$ 228,909
Adjustments to reconcile profit (loss)			
Depreciation expenses	6(8)(10)(24)	1,181,149	1,197,628
Expected credit gains		(966)	(197)
Interest expense	6(23)	67,196	60,447
Interest income	6(20)	(37,413)	(50,202)
Share of profit of associates and joint ventures accounted for using equity method	6(7)	(1,590)	(45,905)
Gain on valuation of financial assets at fair value through profit or loss	6(2)(22)	(17,452)	(24,957)
Gain on disposal of property, plant and equipment		(13,127)	(3,907)
Deferred income		(5,430)	(5,088)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		5,682	3,881
Current contract assets		(41,557)	97,571
Accounts receivable		148,925	120,229
Other receivables		(6,211)	37,473
Inventories		(37,003)	320,919
Prepayments		(11,301)	(6,996)
Changes in operating liabilities			
Notes payable		739	(5)
Accounts payable		63,183	11,018
Other payables		(163,342)	(146,378)
Current provisions		2,177	(2,564)
Current refund liabilities		8,393	(9,154)
Other current liabilities		1,263	256
Net defined benefit liability, non-current		(3,433)	(3,066)
Cash generated from operations		1,659,185	1,779,912
Interest received		37,535	46,496
Interest paid		(58,693)	(50,017)
Income tax paid		(3,754)	(4,179)
Net cash generated from operating activities		<u>1,634,273</u>	<u>1,772,212</u>

(Continued)

ChipMOS TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>Three months ended March 31,</u>	
		<u>2024</u>	<u>2023</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortized cost		\$ (10,757)	\$ (10,971)
Proceeds from repayments of financial assets at amortized cost		10,405	10,405
Acquisition of property, plant and equipment	6(28)	(1,242,984)	(1,113,131)
Proceeds from disposal of property, plant and equipment		10,431	61,133
Decrease in refundable deposits		390	-
Increase in other non-current assets		(118,611)	-
Increase in long-term deferred revenue		-	5,268
Net cash used in investing activities		<u>(1,351,126)</u>	<u>(1,047,296)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
	6(29)		
Proceeds from short-term bank loans		426,684	-
Payments on short-term bank loans		(350,226)	-
Payments on lease liabilities		(83,113)	(59,065)
Proceeds from long-term bank loans		-	1,302,000
Payments on long-term bank loans		(475,118)	(127,434)
Decrease in guarantee deposits		<u>(37)</u>	<u>(21)</u>
Net cash (used in) generated from financing activities		<u>(481,810)</u>	<u>1,115,480</u>
Effect of foreign exchange rate changes		<u>9,197</u>	<u>(1,214)</u>
Net (decrease) increase in cash and cash equivalents		(189,466)	1,839,182
Cash and cash equivalents at beginning of period		<u>12,354,035</u>	<u>9,896,604</u>
Cash and cash equivalents at end of period		<u>\$ 12,164,569</u>	<u>\$ 11,735,786</u>

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

ChipMOS TECHNOLOGIES INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

ChipMOS TECHNOLOGIES INC. (the “Company”) was incorporated on July 28, 1997. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the research, development, manufacturing and sale of high-integration and high-precision integrated circuits and related assembly and testing services. On April 11, 2014, the Company’s shares were listed on the Taiwan Stock Exchange. On November 1, 2016, the Company’s American Depositary Shares (“ADSs”) were listed on the NASDAQ Global Select Market.

2. THE AUTHORIZATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements were authorized for issuance by the Board of Directors on May 9, 2024.

3. APPLICATION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS

(1) Effect of the adoption of new or amended IFRS[®] Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

A. New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date issued by International Accounting Standards Board (“IASB”)
Amendments to IFRS 16, “Lease Liability in a Sale and Leaseback”	January 1, 2024
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

B. Based on the Group’s assessment, the above standards and interpretations have no significant impact on the Group’s financial position and financial performance.

(2) Effect of new, revised or amended IFRS Accounting Standards as endorsed by the FSC that has not yet adopted

None.

(3) The IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

- A. New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date issued by IASB</u>
Amendments to IFRS 10 and IAS 28, “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17, “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17, “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17, “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”	January 1, 2023
IFRS 18, “Presentation and Disclosure in Financial Statements”	January 1, 2027
Amendments to IAS 21, “Lack of Exchangeability”	January 1, 2025

- B. Except for the following, the above standards and interpretations have no significant impact on the Group’s financial position and financial performance based on the Group’s assessment.

IFRS 18, “Presentation and Disclosure in Financial Statements”

IFRS 18, “Presentation and Disclosure in Financial Statements” replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2023, except for the statement of compliance, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Statement of compliance

- A. The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IAS 34, “Interim Financial Reporting” that came into effect as endorsed by the FSC.
- B. The consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2023.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets at fair value through profit or loss (including derivative instruments).
 - (b) Financial assets at fair value through other comprehensive income.
 - (c) Defined benefit liabilities were recognized based on the net amount of pension fund assets less the present value of benefit obligation.
- B. The preparation of the consolidated financial statements in conformity with IFRSs, IASs, International Financial Reporting Interpretations Committee interpretations, and SIC[®] interpretations as endorsed by the FSC requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the

Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The basis for preparation of consolidated financial statements is consistent with those for the year ended December 31, 2023.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of investee	Main business	Percentage of Ownership (%)		
			March 31, 2024	December 31, 2023	March 31, 2023
The Company	ChipMOS U.S.A., Inc. (“ChipMOS USA”)	Marketing of semiconductors and electronic related products	100	100	100
The Company	ChipMOS TECHNOLOGIES (BVI) LTD. (“ChipMOS BVI”)	Holding company	100	100	100
ChipMOS BVI	ChipMOS SEMICONDUCTORS (Shanghai) LTD. (“ChipMOS Shanghai”)	Marketing of semiconductors and electronic related products	100	100	100

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: Not applicable.

E. No significant restrictions on the ability of subsidiaries to transfer funds to parent company.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Employee benefits

Defined benefit plans

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.

(5) Income tax

The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

5. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There have been no significant changes during the period. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2023.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand and petty cash	\$ 450	\$ 450	\$ 450
Checking accounts and demand deposits	1,216,994	1,434,939	1,818,434
Time deposits	10,947,125	10,918,646	9,916,902
	<u>\$ 12,164,569</u>	<u>\$ 12,354,035</u>	<u>\$ 11,735,786</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. No cash and cash equivalents of the Group were pledged to others.

(2) Financial assets at fair value through profit or loss

	March 31, 2024	December 31, 2023	March 31, 2023
Current:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 53,747	\$ 53,747	\$ 171,988
Valuation adjustment	758	(11,012)	(22,688)
	<u>\$ 54,505</u>	<u>\$ 42,735</u>	<u>\$ 149,300</u>

A. Amounts recognized in profit or loss in relation to the financial assets at fair value through profit or loss are listed below:

	<u>Three months ended March 31,</u>	
	2024	2023
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 11,770	\$ 21,076
Beneficiary certificates	5,682	3,881
	<u>\$ 17,452</u>	<u>\$ 24,957</u>

B. No financial assets at fair value through profit or loss were pledged to others.

C. Information relating to price risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at amortized cost

	March 31, 2024	December 31, 2023	March 31, 2023
Current:			
Time deposits	\$ 43,156	\$ 41,066	\$ 98,462
Non-current:			
Restricted bank deposits	\$ 37,411	\$ 37,411	\$ 37,362

- A. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	<u>Three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Interest income	<u>\$ 589</u>	<u>\$ 911</u>

- B. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Group is the carrying amount at the end of each reporting period.
- C. Information about the financial assets at amortized cost that were pledged to others as collateral is provided in Note 8.
- D. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2).

(4) Accounts receivable

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Accounts receivable	\$ 5,179,910	\$ 5,328,835	\$ 4,264,003
Less: Loss allowance	<u>(1,536)</u>	<u>(2,454)</u>	<u>(2,557)</u>
	<u>\$ 5,178,374</u>	<u>\$ 5,326,381</u>	<u>\$ 4,261,446</u>

- A. The Group's credit term granted to customers is 30~90 days. Receivables do not bear interest. The loss allowance is determined based on the credit quality of customers. Information relating to credit risk is provided in Note 12(2).
- B. The aging analysis of accounts receivable based on past due date are as follows:

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Current	\$ 5,178,341	\$ 5,326,523	\$ 4,253,489
Within 1 month	1,569	2,089	10,514
1-2 months	-	223	-
	<u>\$ 5,179,910</u>	<u>\$ 5,328,835</u>	<u>\$ 4,264,003</u>

- C. As of March 31, 2024, December 31, 2023 and March 31, 2023, accounts receivable were all from contracts with customers. And as of January 1, 2023, the balance of accounts receivable from contracts with customers was \$4,381,563.
- D. Without taking into account of any collateral held or other credit enhancements, the amount that best reflects the Group's maximum exposure to credit risk in respect of the accounts receivable is the carrying amount at the end of each reporting period.
- E. No accounts receivable of the Group were pledged to others.

(5) Inventories

	March 31, 2024		
	Cost	Allowance for impairment losses	Carrying amount
Raw materials	<u>\$ 2,788,920</u>	<u>\$ (183,269)</u>	<u>\$ 2,605,651</u>
	December 31, 2023		
	Cost	Allowance for impairment losses	Carrying amount
Raw materials	<u>\$ 2,754,911</u>	<u>\$ (186,263)</u>	<u>\$ 2,568,648</u>
	March 31, 2023		
	Cost	Allowance for impairment losses	Carrying amount
Raw materials	<u>\$ 3,021,687</u>	<u>\$ (132,197)</u>	<u>\$ 2,889,490</u>

The cost of inventories recognized as an expense for the period:

	Three months ended March 31,	
	2024	2023
Cost of revenue	\$ 4,651,174	\$ 4,008,794
(Reversal of) allowance for inventory valuation and obsolescence loss	(2,994)	26,567
	<u>\$ 4,648,180</u>	<u>\$ 4,035,361</u>

- A. Reversal of inventory valuation and obsolescence loss was mainly due to the reversal of previously recognized obsolescence losses by utilizing and selling obsolete raw materials.
- B. No inventories of the Group were pledged to others.

(6) Non-current financial assets at fair value through other comprehensive income

	March 31, 2024	December 31, 2023	March 31, 2023
Designation of equity instruments			
Foreign unlisted stocks	\$ 38,534	\$ 38,534	\$ 38,534
Valuation adjustment	45,162	81,783	276,017
	<u>\$ 83,696</u>	<u>\$ 120,317</u>	<u>\$ 314,551</u>

- A. Based on the Group's business model, the foreign unlisted stocks held for strategic investments were elected to classify as Financial assets at fair value through other comprehensive income. As of March 31, 2024, December 31, 2023 and March 31, 2023, the fair value of aforementioned investments is the carrying amount at the end of each reporting period.

- B. Amounts recognized in other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>Three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Financial assets at fair value through other comprehensive loss		
Foreign unlisted stocks	<u>\$ (36,621)</u>	<u>\$ (23,551)</u>

- C. No financial assets at fair value through other comprehensive income were pledged to others.
- D. In April 2023, the Company acquired 1,000 thousand ordinary shares of Daypower Energy Co., Ltd. (“Daypower Energy”) in the amount of \$12,500, representing 10% of shareholding and was recorded as financial assets at fair value through other comprehensive income. Subsequently, in August 2023, the Company participated in the re-election of the directors of Daypower Energy and obtained significant influence by holding one seat in Daypower Energy’s Board of Directors. As a result, the Company reclassified the investment as investment accounted for using equity method from financial assets at fair value through other comprehensive income. Information related to Daypower Energy investment is provided in Note 6(7).
- E. Information about fair value measurement is provided in Note 12(3).

(7) Investments accounted for using equity method

<u>Associates</u>	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
JMC ELECTRONICS CO., LTD. (“JMC”)	\$ 288,755	\$ 277,076	\$ 298,820
Unimos Microelectronics (Shanghai) Co., Ltd. (“Unimos Shanghai”) (Note)	-	-	4,153,610
Daypower Energy	<u>12,847</u>	<u>13,466</u>	<u>-</u>
	<u>\$ 301,602</u>	<u>\$ 290,542</u>	<u>\$ 4,452,430</u>

Note: On December 21, 2023, the Company’s Board of Directors approved its subsidiary ChipMOS BVI to sell the investment accounted for using equity method in Unimos Shanghai and reclassified the investment as non-current assets held for sale. Information relating to non-current assets held for sale is provided in Note 6(9).

- A. The basic information and summarized financial information of the associates that are material to the Group are as follows:

(a) Basic information

<u>Company name</u>	<u>Principal place of business</u>	<u>Shareholding ratio</u> <u>March 31, 2023</u>	<u>Nature of relationship</u>	<u>Method of measurement</u>
Unimos Shanghai	Shanghai, People’s Republic of China (“P.R.C.”)	45.02%	Strategic Investee	Equity method

(b) Summarized financial information

Balance sheets

	Unimos Shanghai	
	March 31, 2023	
Current assets	\$	4,526,163
Non-current assets		4,619,950
Current liabilities		(681,738)
Non-current liabilities		(216,672)
Total net assets	\$	<u>8,247,703</u>
Share in associate's net assets	\$	3,713,462
Depreciable assets		418,030
Goodwill		22,118
Carrying amount of the associate	\$	<u>4,153,610</u>

Statements of comprehensive income

	Unimos Shanghai	
	Three Months Ended	
	March 31, 2023	
Revenue	\$	1,087,794
Profit for the period from continuing operations	\$	135,764
Other comprehensive income, net of income tax		-
Total comprehensive income	\$	<u>135,764</u>
Dividend received from the associate	\$	<u>-</u>

- B. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarized below:

As of March 31, 2024, December 31, 2023 and March 31, 2023, the carrying amount of the Group's individually immaterial associates amounted to \$301,602, \$290,542 and \$298,820, respectively.

	Three months ended March 31,	
	2024	2023
Profit (loss) for the period from continuing operations	\$ 1,590	\$ (2,506)
Other comprehensive income, net of income tax	9,470	34,256
Total comprehensive income	<u>\$ 11,060</u>	<u>\$ 31,750</u>

- C. JMC has quoted market prices. As of March 31, 2024, December 31, 2023 and March 31, 2023, the fair value was \$283,860, \$303,780 and \$295,895, respectively.
- D. Both JMC and Daypower Energy are recognized as investment accounted for using equity method given that the Company retains significant influence by holding one seat in JMC's and Daypower Energy's Board of Directors.

(8) Property, plant and equipment

		2024						
		Land	Buildings	Machinery and equipment	Tools	Others	Construction in progress and equipment to be inspected	Total
<u>January 1</u>								
Cost		\$ 454,738	\$ 13,850,418	\$ 60,650,428	\$ 5,959,251	\$ 2,774,055	\$ 652,685	\$ 84,341,575
Accumulated depreciation and impairment		-	(8,551,197)	(49,168,655)	(5,222,438)	(2,259,782)	-	(65,202,072)
		<u>\$ 454,738</u>	<u>\$ 5,299,221</u>	<u>\$ 11,481,773</u>	<u>\$ 736,813</u>	<u>\$ 514,273</u>	<u>\$ 652,685</u>	<u>\$ 19,139,503</u>
January 1		\$ 454,738	\$ 5,299,221	\$ 11,481,773	\$ 736,813	\$ 514,273	\$ 652,685	\$ 19,139,503
Additions		-	1,131	609	113	-	630,611	632,464
Disposals		-	-	-	(1,605)	-	-	(1,605)
Reclassifications		-	328,437	156,157	107,240	41,253	(633,087)	-
Depreciation expenses		-	(145,295)	(740,026)	(152,581)	(64,850)	-	(1,102,752)
Exchange adjustment		-	-	16	-	29	-	45
March 31		<u>\$ 454,738</u>	<u>\$ 5,483,494</u>	<u>\$ 10,898,529</u>	<u>\$ 689,980</u>	<u>\$ 490,705</u>	<u>\$ 650,209</u>	<u>\$ 18,667,655</u>
<u>March 31</u>								
Cost		\$ 454,738	\$ 14,179,986	\$ 60,779,152	\$ 6,019,331	\$ 2,807,913	\$ 650,209	\$ 84,891,329
Accumulated depreciation and impairment		-	(8,696,492)	(49,880,623)	(5,329,351)	(2,317,208)	-	(66,223,674)
		<u>\$ 454,738</u>	<u>\$ 5,483,494</u>	<u>\$ 10,898,529</u>	<u>\$ 689,980</u>	<u>\$ 490,705</u>	<u>\$ 650,209</u>	<u>\$ 18,667,655</u>
		2023						
		Land	Buildings	Machinery and equipment	Tools	Others	Construction in progress and equipment to be inspected	Total
<u>January 1</u>								
Cost		\$ 452,738	\$ 13,379,852	\$ 59,197,255	\$ 5,716,357	\$ 2,615,959	\$ 504,200	\$ 81,866,361
Accumulated depreciation and impairment		-	(7,994,344)	(46,438,887)	(4,919,660)	(2,067,265)	-	(61,420,156)
		<u>\$ 452,738</u>	<u>\$ 5,385,508</u>	<u>\$ 12,758,368</u>	<u>\$ 796,697</u>	<u>\$ 548,694</u>	<u>\$ 504,200</u>	<u>\$ 20,446,205</u>
January 1		\$ 452,738	\$ 5,385,508	\$ 12,758,368	\$ 796,697	\$ 548,694	\$ 504,200	\$ 20,446,205
Additions		-	154	593	-	-	312,423	313,170
Disposals		-	-	(11,402)	(377)	-	-	(11,779)
Reclassifications		-	80,196	138,834	99,925	46,457	(365,412)	-
Depreciation expenses		-	(137,290)	(772,411)	(161,392)	(69,849)	-	(1,140,942)
Exchange adjustment		-	-	(3)	-	(2)	-	(5)
March 31		<u>\$ 452,738</u>	<u>\$ 5,328,568</u>	<u>\$ 12,113,979</u>	<u>\$ 734,853</u>	<u>\$ 525,300</u>	<u>\$ 451,211</u>	<u>\$ 19,606,649</u>
<u>March 31</u>								
Cost		\$ 452,738	\$ 13,460,202	\$ 59,275,508	\$ 5,691,067	\$ 2,657,843	\$ 451,211	\$ 81,988,569
Accumulated depreciation and impairment		-	(8,131,634)	(47,161,529)	(4,956,214)	(2,132,543)	-	(62,381,920)
		<u>\$ 452,738</u>	<u>\$ 5,328,568</u>	<u>\$ 12,113,979</u>	<u>\$ 734,853</u>	<u>\$ 525,300</u>	<u>\$ 451,211</u>	<u>\$ 19,606,649</u>

- A. Amount of borrowing costs capitalized as part of property, plant and equipment and the range of the interest rates for such capitalization are as follows:

	Three months ended March 31,	
	2024	2023
Amount of interest capitalized	\$ 2,403	\$ 1,356
Range of the interest rates for capitalization	1.5066%	1.3287%

- B. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(9) Non-current assets held for sale

On December 21, 2023, the Company's Board of Directors approved its subsidiary ChipMOS BVI to sell the 45.0242% owned equity investment accounted for using equity method in Unimos Shanghai to Suzhou Oriza PuHua Zhixin Equity Investment Partnership (L.P.) and other local Chinese investment management companies. Therefore, the investment accounted for using equity method of Unimos Shanghai have been reclassified as non-current assets held for sale at the carrying amount. The equity transfer is expected to be completed in the first half of 2024.

- A. Assets held for sale:

	March 31, 2024	December 31, 2023
	Investment accounted for using equity method in Unimos Shanghai	\$ 4,278,658

- B. Information relating to cumulative income or expense recognized in other comprehensive income relating to disposal assets classified as held for sale is provided in Note 6(18).

(10) Leasing arrangements – lessee

- A. The Group leases various assets, including land, buildings, machinery and equipment, and others. Lease contracts are typically made for periods of 2 to 30 years. For machinery and equipment, lease contracts are 3 years. For land, lease contracts are between 10 to 30 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease contracts do not impose covenants, but leased assets may not be used as security for borrowing purposes.

- B. The carrying amount of right-of-use assets and the depreciation expenses are as follows:

	Carrying amount		
	March 31, 2024	December 31, 2023	March 31, 2023
Land	\$ 652,092	\$ 615,385	\$ 625,607
Buildings	12,213	7,723	16,585
Machinery and equipment	454,593	411,809	566,970
Others	7,276	2,585	2,107
	<u>\$ 1,126,174</u>	<u>\$ 1,037,502</u>	<u>\$ 1,211,269</u>

	Depreciation expenses	
	Three months ended March 31, 2024	Three months ended March 31, 2023
Land	\$ 5,780	\$ 5,362
Buildings	2,911	2,718
Machinery and equipment	68,579	48,100
Others	1,127	506
	<u>\$ 78,397</u>	<u>\$ 56,686</u>

C. For the three months ended March 31, 2024 and 2023, additions to right-of-use assets were \$166,834 and \$368,932, respectively.

D. The information on profit or loss accounts relating to lease contracts is as follows:

	Three months ended March 31,	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 5,043	\$ 4,333
Expense on short-term lease contracts	22,627	11,420

E. For the three months ended March 31, 2024 and 2023, the Group's total cash outflow for leases were \$108,074 and \$74,212, respectively.

(11) Short-term bank loans

Type of loans	March 31, 2024	December 31, 2023	March 31, 2023
Bank loans			
Unsecured bank loans	<u>\$ 76,458</u>	<u>\$ -</u>	<u>\$ -</u>
Interest rate range	<u>6.1839%</u>	<u>-</u>	<u>-</u>
Unused credit lines of short-term bank loans			
NT\$	<u>\$ 4,351,642</u>	<u>\$ 4,428,100</u>	<u>\$ 4,364,400</u>
US\$ (in thousands)	<u>\$ 65,000</u>	<u>\$ 65,000</u>	<u>\$ 90,000</u>

(12) Other payables

	March 31, 2024	December 31, 2023	March 31, 2023
Salaries and bonuses payable	\$ 750,559	\$ 994,651	\$ 826,130
Payable to equipment suppliers	578,859	1,196,181	598,241
Employees' compensation payable	307,928	250,181	471,975
Pension payable	17,090	16,825	14,891
Directors' remuneration payable	7,698	6,255	11,799
Interest payable	9,616	9,625	8,988
Other expense payable	1,021,579	1,005,327	907,276
	<u>\$ 2,693,329</u>	<u>\$ 3,479,045</u>	<u>\$ 2,839,300</u>

(13) Long-term bank loans

Type of loans	Period and payment term	March 31, 2024	December 31, 2023	March 31, 2023
Government granted bank loans	Borrowing period is from March 11, 2020 to October 15, 2032; interest is repayable monthly; principal is repayable monthly from March 15, 2023	\$ 14,497,193	\$ 14,972,311	\$ 15,235,964
Less: Unamortized interest on government granted bank loans		(52,080)	(60,592)	(84,387)
Less: Current portion (fee included)		(2,562,976)	(2,263,718)	(1,870,602)
		<u>\$ 11,882,137</u>	<u>\$ 12,648,001</u>	<u>\$ 13,280,975</u>
Interest rate range		<u>1.325%~1.875%</u>	<u>1.2%~1.75%</u>	<u>1.2%~1.75%</u>
Unused credit lines of long-term bank loans				
NT\$		<u>\$ 7,232,770</u>	<u>\$ 7,232,770</u>	<u>\$ 8,364,600</u>

- A. On January 1, 2019, Ministry of Economic Affairs, R.O.C. (“MOEA”) implemented the Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan and companies are subsidized with preferential interest loans for qualified investment projects. The Company has obtained the qualification from the MOEA, and signed loan agreements with financial institutions during January 2020 and September 2022 with the line of credit amounted to NT\$23.73 billion and terms from seven to ten years. Funding from these loans was used to invest in machineries, equipment and plant expansions and broaden the Company’s working capital.
- B. Information about the items that are pledged to others as collaterals for long-term bank loans is provided in Note 8.

(14) Pensions

A. Defined Benefit Plans

- (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees’ service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees’ monthly salaries and wages to the pension fund deposited with the Bank of Taiwan, the trustee, under the name of the independent pension fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the

employees expected to be qualified for retirement next year, the Company will make contributions to cover the deficit by March of following year.

- (b) For the aforementioned pension plan, the Company recognized pension costs of \$785 and \$960 for the three months ended March 31, 2024 and 2023, respectively.

B. Defined Contribution Plans

- (a) Effective from July 1, 2005, the Company established a defined contribution pension plan (“New Plan”) under the Labor Pension Act, covering all regular employees with Republic of China (“R.O.C.”) nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under defined contribution pension plans of the Company for the three months ended March 31, 2024 and 2023 were \$51,493 and \$45,037, respectively.
- (b) According to the defined contribution pension plan stipulated by the P.R.C., ChipMOS Shanghai contributes monthly on amount based on a certain percentage of the local employees’ monthly salaries and wages. The contribution percentage was both 16% for the three months ended March 31, 2024 and 2023. The pension of each employee is managed by the government and ChipMOS Shanghai has no further obligations except the monthly contribution. The pension costs under defined contribution pension plan of ChipMOS Shanghai for the three months ended March 31, 2024 and 2023 were \$174 and \$129, respectively.

(15) Capital stock

- A. As of March 31, 2024, the Company’s authorized capital was \$9,700,000, consisting of 970,000 thousand ordinary shares, and the paid-in capital was \$7,272,401 with a par value of \$10 (in dollars) per share, consisting of 727,240 thousand ordinary shares. All proceeds from shares issued have been collected.
- B. As of March 31, 2024, the outstanding ADSs were approximately 4,356,471 units representing 87,129 thousand ordinary shares and each ADS represents 20 ordinary shares of the Company. The major terms and conditions of the ADSs are summarized as follows:
 - (a) Voting rights:

ADS holders have no right to directly attend, vote or speak in shareholders’ meetings with respect to the deposited shares. The depository bank shall vote on behalf of ADS holders or provide voting instruction to the designated person of the Company. The depository bank shall vote in the manner as instructed by ADS holders.
 - (b) Distribution of dividends:

ADS holders are deemed to have the same rights as holders of ordinary shares with respect to the distribution of dividends.
- C. The number of the Company’s ordinary shares outstanding as of January 1 and March 31 of 2024 and 2023 were all 727,240 thousand shares, respectively.

(16) Capital surplus

Pursuant to the R.O.C. Company Act, any capital surplus arising from paid-in capital in excess of par value on issuance of ordinary shares and donations can be used to cover accumulated deficits or to issue new shares or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficits. Furthermore, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above may not exceed 10% of the paid-in capital each year. The capital surplus may not be used to cover accumulated deficits unless the surplus reserve is insufficient.

	2024		
	Share premium	Long-term Investment	Total
January 1	\$ 6,043,483	\$ 21,154	\$ 6,064,637
March 31	\$ 6,043,483	\$ 21,154	\$ 6,064,637

	2023		
	Share premium	Long-term Investment	Total
January 1	\$ 6,043,483	\$ 21,154	\$ 6,064,637
March 31	\$ 6,043,483	\$ 21,154	\$ 6,064,637

(17) Retained earnings

- A. Under the Company's Articles of Incorporation, upon the final settlement of accounts, if there is net profit, the Company shall first set aside the tax payable and offset its losses before setting aside a legal capital reserve at 10% of the remaining profit. The Company shall then set aside or reverse the special capital reserve in accordance with the laws and regulations and as requested by the competent authorities. The remaining profit of that fiscal year, as well as the accumulated undistributed profit at the beginning of the same year and the adjusted undistributed profit of the given fiscal year, shall be distributable profit. If there is any surplus distributable profit after the Board of Directors sets aside a reserve based on the Company's operational needs, such surplus profit may be distributed in full or in part to shareholders as dividends, subject to the approval of the shareholders' meeting.
- B. The Company's dividend policy is summarized here. A proposal on the distribution of dividends shall be submitted by the Board of Directors annually to the shareholders' meeting, and be based on factors such as past years' profit, the current and future investment environment, the Company's capital needs, competition in the domestic and foreign markets, and budgets, with an aim to pursuing shareholders' interests and balancing the dividend distribution and the long-term financial plan of the Company. The distribution of profits of the Company can be made in the form of cash dividends or stock dividends, provided that the cash dividend shall account for at least 10% of the total profit distributed as dividends in the given year.
- C. Except for covering accumulated deficits or issuing new shares or cash to shareholders in proportion to their share ownership, the legal reserve may not be used for any other purpose. The use of the legal reserve for the issuance of shares or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

- D. In accordance with the regulations, the Company must set aside a special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When the debit balance on other equity items is reversed subsequently, the reversed amount may be included in the distributable earnings.
- E. The appropriations of 2023 and 2022 earnings were proposed in the board meeting held on February 22, 2024, and resolved in the shareholders' meeting held on May 30, 2023, respectively. The appropriations and dividends per share are as follows:

	2023		2022	
	Amount	Cash distribution per share (in dollars)	Amount	Cash distribution per share (in dollars)
Legal reserve	\$ 190,238		\$ 354,986	
Cash dividend	1,309,032	\$ 1.80	1,672,652	\$ 2.30

(18) Other equity interest

	2024			
	Financial statements translation differences of foreign operations	Unrealized gain (loss) on valuation of financial assets at fair value through other comprehensive income	Equity directly related to non-current assets held for sale	Total
January 1	\$ (656)	\$ 96,958	\$ (43,094)	\$ 53,208
Currency translation differences				
- The Company	11,266	-	-	11,266
Evaluation adjustment				
- The Company	-	(36,621)	-	(36,621)
- Associates	-	9,470	-	9,470
Evaluation adjustment related tax				
- The Company	-	7,324	-	7,324
March 31	<u>\$ 10,610</u>	<u>\$ 77,131</u>	<u>\$ (43,094)</u>	<u>\$ 44,647</u>

	2023		
	Financial statements translation differences of foreign operations	Unrealized gain (loss) on valuation of financial assets at fair value through other comprehensive income	Total
January 1	\$ (17,369)	\$ 258,581	\$ 241,212
Currency translation differences			
- The Company	16,794	-	16,794
Evaluation adjustment			
- The Company	-	(23,551)	(23,551)
- Associates	-	33,827	33,827
Evaluation adjustment related tax			
- The Company	-	4,710	4,710
March 31	<u>\$ (575)</u>	<u>\$ 273,567</u>	<u>\$ 272,992</u>

(19) Revenue

	Three months ended March 31,	
	2024	2023
Revenue from contracts with customers	<u>\$ 5,418,714</u>	<u>\$ 4,605,134</u>

A. The Group is primarily engaged in the assembly and testing services of high-integration and high-precision integrated circuits, and recognized revenue based on the progress towards completion of performance obligation during the service period. Information on revenue disaggregation is provided in Note 14.

B. Contract assets

The Group has recognized the following contract assets in relation to revenue from contracts with customers:

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Contract assets	<u>\$ 425,487</u>	<u>\$ 383,883</u>	<u>\$ 283,846</u>	<u>\$ 381,358</u>

C. The information relating to loss allowance for contract assets is provided in Note 12(2).

D. All of the service contracts are for periods of one year or less. As permitted under IFRS 15, "Revenue from Contracts with Customers", the transaction price allocated to these unsatisfied contracts is not disclosed.

(20) Interest income

	Three months ended March 31,	
	2024	2023
Bank deposits	\$ 36,824	\$ 49,291
Financial assets at amortized cost	589	911
	<u>\$ 37,413</u>	<u>\$ 50,202</u>

(21) Other income

	Three months ended March 31,	
	2024	2023
Rental income	\$ 4,610	\$ 20,456
Grant income	5,607	5,239
	<u>\$ 10,217</u>	<u>\$ 25,695</u>

(22) Other gains and losses

	Three months ended March 31,	
	2024	2023
Foreign exchange gains (losses), net	\$ 153,403	\$ (43,728)
Gain on valuation of financial assets at fair value through profit or loss	17,452	24,957
Others	3,398	880
	<u>\$ 174,253</u>	<u>\$ (17,891)</u>

(23) Finance costs

	Three months ended March 31,	
	2024	2023
Interest expense		
Bank loans	\$ 64,556	\$ 57,470
Lease liabilities	5,043	4,333
Less: Amounts capitalized in qualifying assets	(2,403)	(1,356)
	<u>\$ 67,196</u>	<u>\$ 60,447</u>

(24) Expenses by nature

	Three months ended March 31,	
	2024	2023
Raw materials and supplies used	\$ 1,148,446	\$ 848,021
Employee benefit expenses	1,542,753	1,363,018
Depreciation expenses	1,181,149	1,197,628
Others	1,205,421	1,027,265
	<u>\$ 5,077,769</u>	<u>\$ 4,435,932</u>

(25) Employee benefit expenses

	Three months ended March 31,	
	2024	2023
Salaries	\$ 1,233,461	\$ 1,102,563
Directors' remuneration	5,823	4,917
Labor and health insurance	117,024	105,361
Pension	52,452	46,126
Other personnel expenses	133,993	104,051
	<u>\$ 1,542,753</u>	<u>\$ 1,363,018</u>

- A. In accordance with the Company's Articles of Incorporation, employees' compensation is based on the current year's earnings, which should first be used to cover accumulated deficits, if any, and then 10% of the remaining balance distributed as employees' compensation, including distributions to certain qualifying employees in affiliate companies, and no more than 0.5% as directors' remuneration. Subject to the Board of Directors' approval, employees' compensation may be made by way of cash or share issuance. Distribution of employees' compensation and directors' remuneration shall be presented and reported in the subsequent shareholders' meeting.
- B. Based on profit as of the end of reporting period, for the three months ended March 31, 2024 and 2023, the employees' compensation were accrued at \$57,747 and \$24,672, respectively; the directors' remuneration were accrued at \$1,443 and \$617, respectively.
- C. For the year of 2023, employees' compensation and directors' remuneration recognized were consistent with the amounts resolved in the Board of Directors' meeting. Information about the appropriation of employees' compensation and directors' remuneration by the Company as approved by the Board of Directors is posted in the Market Observation Post System ("MOPS").

(26) Income tax expense

A. Income tax expense

(a) Components of income tax expense:

	Three months ended March 31,	
	2024	2023
Current income tax:		
Current income tax on profits for the period	\$ 60,145	\$ 12,138
Prior year income tax overestimation	(11,796)	(12,500)
Total current income tax	<u>48,349</u>	<u>(362)</u>
Deferred income tax:		
Relating to origination and reversal of temporary differences	<u>33,165</u>	<u>26,921</u>
Income tax expense	<u>\$ 81,514</u>	<u>\$ 26,559</u>

- (b) The income tax (charge)/credit relating to components of other comprehensive income are as follows:

	Three months ended March 31,	
	2024	2023
Unrealized gain on valuation of financial assets at fair value through other comprehensive income	\$ (7,324)	\$ (4,710)

- B. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(27) Earnings per share

	Three months ended March 31, 2024		
	Amount after income tax	Weighted average number of ordinary shares outstanding (in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to equity holders of the Company	\$ 437,789	727,240	\$ 0.60

<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares:			
Employees' compensation		4,468	
Profit attributable to equity holders of the Company	\$ 437,789	731,708	\$ 0.60

	Three months ended March 31, 2023		
	Amount after income tax	Weighted average number of ordinary shares outstanding (in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to equity holders of the Company	\$ 202,350	727,240	\$ 0.28

<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares:			
Employees' compensation		7,850	
Profit attributable to equity holders of the Company	\$ 202,350	735,090	\$ 0.28

(28) Supplemental cash flow information

Partial cash paid for investing activities

Property, plant and equipment

	Three months ended March 31,	
	2024	2023
Purchase of property, plant and equipment	\$ 632,464	\$ 313,170
Add: Beginning balance of payable on equipment	1,196,181	1,405,931
Add: Beginning balance of payable on equipment – related parties	58,549	-
Less: Ending balance of payable on equipment	(578,859)	(598,241)
Less: Transfer from other non-current assets	(65,351)	(7,729)
Cash paid during the period	<u>\$ 1,242,984</u>	<u>\$ 1,113,131</u>

(29) Changes in liabilities from financing activities

	2024				
	Short-term bank loans	Long-term bank loans (including current portion)	Guarantee deposits	Lease liabilities	Total liabilities from financing activities
January 1	\$ -	\$ 14,911,719	\$ 21,235	\$ 1,065,401	\$ 15,998,355
Changes in cash flow from financing activities	76,458	(475,118)	(37)	(83,113)	(481,810)
Adjustment of right-of-use assets	-	-	-	166,834	166,834
Amortization of interest expense	-	8,512	-	5,043	13,555
March 31	<u>\$ 76,458</u>	<u>\$ 14,445,113</u>	<u>\$ 21,198</u>	<u>\$ 1,154,165</u>	<u>\$ 15,696,934</u>

	2023			
	Long-term bank loans (including current portion)	Guarantee deposits	Lease liabilities	Total liabilities from financing activities
January 1	\$ 13,967,801	\$ 21,600	\$ 920,402	\$ 14,909,803
Changes in cash flow from financing activities	1,174,566	(21)	(59,065)	1,115,480
Adjustment of right-of-use assets	-	-	368,932	368,932
Amortization of interest expense	9,210	-	4,333	13,543
March 31	<u>\$ 15,151,577</u>	<u>\$ 21,579</u>	<u>\$ 1,234,602</u>	<u>\$ 16,407,758</u>

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company has neither a parent company nor an ultimate controlling party. The transactions between the Company and its subsidiaries were eliminated in the accompanying consolidated financial statements and were not disclosed herein. The transactions between the Group and other related parties are as follows.

(2) Names of related parties and relationship

<u>Name</u>	<u>Relationship</u>
Unimos Shanghai	Associate
JMC	Associate
Daypower Energy	Associate
Siliconware Precision Industries Co., Ltd. (“SPIL”)	Entity that has significant influence over the Company

(3) Significant related party transactions

Payable to equipment suppliers

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Daypower Energy	\$ -	\$ 58,549	\$ -

(4) Key management personnel compensation

	<u>Three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Salaries and other short-term employee benefits	\$ 38,554	\$ 35,610
Post-employment compensation	511	550
	<u>\$ 39,065</u>	<u>\$ 36,160</u>

8. PLEDGED ASSETS

<u>Assets</u>	<u>Purpose</u>	<u>Carrying amount</u>		
		<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Non-current financial assets at amortized cost	Lease	\$ 37,411	\$ 37,411	\$ 37,362
Property, plant and equipment				
- Land	Bank loan	454,738	454,738	452,738
- Buildings	Bank loan	5,483,494	5,299,221	5,328,568
- Machinery and equipment	Bank loan	7,743,461	8,173,618	8,767,345
		<u>\$ 13,719,104</u>	<u>\$ 13,964,988</u>	<u>\$ 14,586,013</u>

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

- (1) A letter of guarantee was issued by the financial institutions to the Customs Administration of the Ministry of Finance for making payment of customs-duty deposits when importing. As of March 31, 2024, December 31, 2023 and March 31, 2023, the amounts guaranteed by the financial institutions were \$71,900, \$71,900 and \$135,600, respectively.
- (2) Capital expenditures that are contracted for, but not provided for, are as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Property, plant and equipment	<u>\$ 2,182,061</u>	<u>\$ 1,940,740</u>	<u>\$ 1,634,556</u>

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

None.

12. OTHERS

(1) Capital management

There was no significant change during the period. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2023.

(2) Financial instruments

A. Financial instruments by category

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 54,505	\$ 42,735	\$ 149,300
Financial assets at fair value through other comprehensive income			
Designation of equity instruments	83,696	120,317	314,551
Financial assets at amortized cost			
Cash and cash equivalents	12,164,569	12,354,035	11,735,786
Financial assets at amortized cost	80,567	78,477	135,824
Accounts receivable	5,178,374	5,326,381	4,261,446
Other receivables	54,967	44,576	52,675
Refundable deposits	20,368	20,707	21,767
	<u>\$ 17,637,046</u>	<u>\$ 17,987,228</u>	<u>\$ 16,671,349</u>
<u>Financial liabilities</u>			
Financial liabilities at amortized cost			
Short-term bank loans	\$ 76,458	\$ -	\$ -
Notes payable	1,223	484	127
Accounts payable	848,102	784,919	571,820
Other payables	2,693,329	3,479,045	2,839,300
Other payables – related parties	-	58,549	-
Long-term bank loans (including current portion)	14,445,113	14,911,719	15,151,577
Lease liabilities (including current portion)	1,154,165	1,065,401	1,234,602
Guarantee deposits	21,198	21,235	21,579
	<u>\$ 19,239,588</u>	<u>\$ 20,321,352</u>	<u>\$ 19,819,005</u>

B. Risk management policies

There was no significant change during the period. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2023.

C. Significant financial risks and degrees of financial risks

Except for the items explained below, there was no significant change during the period. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2023.

(a) Market risk

Foreign exchange risk

- i. The Group's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	March 31, 2024		
	Foreign currency (in thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 127,863	32.0000	\$ 4,091,616
JPY:NTD	180,440	0.2115	38,163
RMB:NTD	4,944	4.4080	21,793
<u>Non-monetary items</u>			
JPY:NTD	395,725	0.2115	83,696
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 22,179	32.0000	\$ 709,728
JPY:NTD	927,023	0.2115	196,065

	December 31, 2023		
	Foreign currency (in thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 149,837	30.7050	\$ 4,600,745
JPY:NTD	188,904	0.2172	41,030
RMB:NTD	5,595	4.3270	24,210
<u>Non-monetary items</u>			
JPY:NTD	553,946	0.2172	120,317
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 21,175	30.7050	\$ 650,178
JPY:NTD	1,102,264	0.2172	239,412

		March 31, 2023		
		Foreign currency (in thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$	215,927	30.4500	\$ 6,574,977
JPY:NTD		125,349	0.2288	28,680
RMB:NTD		6,513	4.4310	28,859
<u>Non-monetary items</u>				
JPY:NTD		1,374,786	0.2288	314,551
RMB:NTD		937,398	4.4310	4,153,610
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	\$	8,705	30.4500	\$ 265,067
JPY:NTD		1,392,632	0.2288	318,634

- ii. The total exchange gains (losses), including realized and unrealized gains (losses) arising from significant foreign exchange variations on monetary items held by the Group for the three months ended March 31, 2024 and 2023, amounted to \$153,403 and (\$43,728), respectively.
- iii. Analysis of foreign currency market risk arising from significant foreign exchange variations:

		Three months ended March 31, 2024		
		Sensitivity analysis		
		Change in exchange rate	Effect on profit (loss)	Effect on other comprehensive income
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	5%	\$	204,581	\$ -
JPY:NTD	5%		1,908	-
RMB:NTD	5%		1,090	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	5%	\$	35,486	\$ -
JPY:NTD	5%		9,803	-

	Three months ended March 31, 2023		
	Sensitivity analysis		
	Change in exchange rate	Effect on profit (loss)	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	5%	\$ 328,749	\$ -
JPY:NTD	5%	1,434	-
RMB:NTD	5%	1,443	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	5%	\$ 13,253	\$ -
JPY:NTD	5%	15,932	-

Price risk

- i. The Group's financial instruments, which are exposed to price risk, are the financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in financial instruments, the Group diversifies its portfolio. Diversification of the portfolio is in accordance with the limits set by the Group.
- ii. The Group invests in beneficiary certificates and listed stocks issued by the domestic companies. The prices of equity securities would change due to change of the future value of investee companies. For the three months ended March 31, 2024 and 2023, it is estimated that the prices of equity securities increase or decrease by 1%, with all other variables held constant, would increase or decrease the Group's profit before income tax by \$545 and \$1,493, respectively.
- iii. The Group's investments in financial instruments comprise foreign unlisted stocks. The prices of financial instruments would change due to different valuation models and assumptions used. Analysis related to the effect on profit or other comprehensive income if these assumptions change is provided in Note 12(3)G.

Interest rate risk on cash flow and fair value

- i. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank loans with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate bank loans. The Group reassesses the hedge management periodically to make sure it complies with the cost effectiveness.
- ii. The sensitivity analysis depends on the exposure of interest rate risk at the end of the reporting period.
- iii. Analysis of debt with floating interest rates is based on the assumption that the outstanding debt at the end of the reporting period is outstanding throughout the

period. The degree of variation the Group used to report to internal management is increase or decrease of 1% in interest rates which is assessed as the reasonable degree of variation by the management.

- iv. For the three months ended March 31, 2024 and 2023, it is estimated that a general increase or decrease of 1% in interest rates, with all other variables held constant, would decrease or increase the Group's profit before income tax approximately by \$36,243 and \$38,090, respectively, mainly due to the Group's floating rate on bank loans.

(b) Credit risk

- i. Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss, mainly resulted from its operating activities (primarily accounts receivable) and from its financing activities (primarily deposits with banks and financial instruments). The Group is exposed to credit risk arising from the carrying amount of the financial assets recognized in the consolidated balance sheet.
- ii. Each business unit performs ongoing credit evaluations of its debtors' financial conditions according to the Group's established policies, procedures and controls relating to customer credit risk management. The Group maintains an account for loss allowance based upon the available facts and circumstances, history of collection and write-off experiences of all trade and other receivables which consequently minimize the Group's exposure to bad debts.
- iii. Credit risk from balances with banks and financial institutions is managed by the Group's finance unit in accordance with the Group's policies. Transaction counterparty of the Group is determined through its internal controls policy. For banks and financial institutions, only parties rated above BBB+ by Taiwan Ratings are accepted. The probability of counterparty default is remote, so there is no significant credit risk.
- iv. The Group adopts the assumptions under IFRS 9, "Financial Instruments" and the default is deemed to have occurred when the contract payments are past due over 90 days.
- v. The Group categorized contract assets, accounts receivable and other receivables by characteristics of credit risk and applied the simplified approach using loss rate methodology to estimate expected credit loss.
- vi. The Group referred to the forecastability of business monitoring indicators published by the National Development Council to adjust the loss rate which is based on historical and current information when assessing the future default possibility of contract assets, accounts receivable and other receivables. As of March 31, 2024, December 31, 2023 and March 31, 2023, the loss rate methodologies are as follows:

	March 31, 2024		
	Contract assets	Accounts receivable (including related parties)	Other receivables (including related parties)
Expected loss rate	0.030%	0.030%	0.030%
Total carrying amount	\$ 425,614	\$ 5,179,910	\$ 54,979
Loss allowance	\$ (127)	\$ (1,536)	\$ (12)

	December 31, 2023		
	Contract assets	Accounts receivable (including related parties)	Other receivables (including related parties)
Expected loss rate	0.045%	0.045%	0.045%
Total carrying amount	\$ 384,057	\$ 5,328,835	\$ 44,589
Loss allowance	\$ (174)	\$ (2,454)	\$ (13)

	March 31, 2023		
	Contract assets	Accounts receivable (including related parties)	Other receivables (including related parties)
Expected loss rate	0.060%	0.060%	0.060%
Total carrying amount	\$ 284,016	\$ 4,264,003	\$ 52,694
Loss allowance	\$ (170)	\$ (2,557)	\$ (19)

- vii. Under the simplified approach, movements in relation to loss allowance for contract assets, accounts receivable, and other receivables are as follows:

	2024		
	Contract assets	Accounts receivable (including related parties)	Other receivables (including related parties)
January 1	\$ (174)	\$ (2,454)	\$ (13)
Reversal of impairment loss	47	918	1
March 31	<u>\$ (127)</u>	<u>\$ (1,536)</u>	<u>\$ (12)</u>

	2023		
	Contract assets	Accounts receivable (including related parties)	Other receivables (including related parties)
January 1	\$ (229)	\$ (2,669)	\$ (45)
Reversal of impairment loss	59	112	26
March 31	<u>\$ (170)</u>	<u>\$ (2,557)</u>	<u>\$ (19)</u>

- viii. The Group's recorded financial assets at amortized cost include time deposits with contract period over 3 months and restricted bank deposits. Because of the low credit risk, expected credit losses for the period are measured through a loss allowance at an amount equal to the 12-month expected credit losses. There is no significant provision for the losses.

(c) Liquidity risk

- i. The Group manages and maintains adequate cash and cash equivalents to finance the Group's operations, and minimize the impact from cash flow fluctuations. The Group also monitors its debt financing plans to ensure it is in compliance with the financial covenants required under its loan agreements.
- ii. The primary source of liquidity for the Group is from bank loans. See Note 6(11)(13) for details of the unused credit lines of the Group as of March 31, 2024, December 31, 2023 and March 31, 2023.
- iii. The contractual undiscounted cash flows of notes payable, accounts payable and other payables (including related parties) due within one year and is equivalent to its carrying amount. Except for the aforementioned, the table below summarizes the maturity profile of the Group's non-derivative financial liabilities based on the earliest repayment dates and contractual undiscounted payments, including principal and interest. The Group does not consider the probability of early repayments requested by the banks.

	March 31, 2024				
	Within 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
<u>Non-derivative financial liabilities</u>					
Short-term bank loans	\$ 76,865	\$ -	\$ -	\$ -	\$ 76,865
Long-term bank loans	2,777,017	7,578,859	3,665,136	1,076,156	15,097,168
Lease liabilities	297,730	278,196	61,443	720,953	1,358,322
Guarantee deposits	-	-	-	21,198	21,198
	<u>\$ 3,151,612</u>	<u>\$ 7,857,055</u>	<u>\$ 3,726,579</u>	<u>\$ 1,818,307</u>	<u>\$ 16,553,553</u>

	December 31, 2023				
	Within 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
<u>Non-derivative financial liabilities</u>					
Long-term bank loans	\$ 2,469,744	\$ 7,506,844	\$ 4,273,199	\$ 1,330,797	\$ 15,580,584
Lease liabilities	267,759	250,104	57,856	681,975	1,257,694
Guarantee deposits	-	-	-	21,235	21,235
	<u>\$ 2,737,503</u>	<u>\$ 7,756,948</u>	<u>\$ 4,331,055</u>	<u>\$ 2,034,007</u>	<u>\$ 16,859,513</u>

	March 31, 2023				
	Within 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
<u>Non-derivative financial liabilities</u>					
Long-term bank loans	\$ 2,078,649	\$ 6,279,111	\$ 5,525,818	\$ 2,040,683	\$ 15,924,261
Lease liabilities	294,124	389,538	57,056	697,371	1,438,089
Guarantee deposits	-	-	-	21,579	21,579
	<u>\$ 2,372,773</u>	<u>\$ 6,668,649</u>	<u>\$ 5,582,874</u>	<u>\$ 2,759,633</u>	<u>\$ 17,383,929</u>

The difference between the floating interest rates and estimated interest rates will affect the non-derivative financial liabilities stated above.

	March 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
- Listed stocks	\$ 149,300	\$ -	\$ -	\$ 149,300
Financial assets at fair value through other comprehensive income				
- Foreign unlisted stocks	-	-	314,551	314,551
	<u>\$ 149,300</u>	<u>\$ -</u>	<u>\$ 314,551</u>	<u>\$ 463,851</u>

- (b) The methods and assumptions the Group used to measure fair value are as follows:
- i. The fair value of the Group's listed stocks is measured by using the market quoted prices, which is categorized within Level 1 fair value.
 - ii. Except for listed stocks with active markets, the fair value of the Group's other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.
 - iii. The Group's financial instruments issued by foreign companies are measured by the comparable company valuation (EV/EBITDA ratio and P/B ratio).
 - iv. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

D. The following table shows the movements of Level 3 for the three months ended March 31, 2024 and 2023:

	Equity instruments	
	2024	2023
January 1	\$ 120,317	\$ 338,102
Gains or losses recognized in other comprehensive income		
Recorded as unrealized loss on valuation of financial assets at fair value through other comprehensive income	(36,621)	(23,551)
March 31	<u>\$ 83,696</u>	<u>\$ 314,551</u>

E. The Group performs the fair value measurements being categorized within Level 3 with assistance from specialist. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, updating

inputs used to the valuation model and making any other necessary adjustments to the fair value.

- F. The following is the qualitative information and sensitivity analysis of changes in significant unobservable inputs under valuation model used in Level 3 fair value measurement:

	Fair value as of March 31, 2024	Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Non-derivative equity instrument: Foreign unlisted stocks	\$83,696	Comparable companies	Enterprise value to EBITDA multiple	9.62	The higher the multiple, the higher the fair value
			Price to book ratio multiple	1.65	The higher the multiple, the higher the fair value
			Discount for lack of marketability	15.70%	The higher the discount for lack of marketability, the lower the fair value
	Fair value as of December 31, 2023	Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Non-derivative equity instrument: Foreign unlisted stocks	\$ 120,317	Comparable companies	Enterprise value to EBITDA multiple	8.23	The higher the multiple, the higher the fair value
			Price to book ratio multiple	1.64	The higher the multiple, the higher the fair value
			Discount for lack of marketability	15.70%	The higher the discount for lack of marketability, the lower the fair value
	Fair value as of March 31, 2023	Valuation technique	Significant unobservable input	Range	Relationship of inputs to fair value
Non-derivative equity instrument: Foreign unlisted stocks	\$314,551	Comparable companies	Enterprise value to EBITDA multiple	5.36	The higher the multiple, the higher the fair value
			Discount for lack of marketability	15.70%	The higher the discount for lack of marketability, the lower the fair value

- G. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets categorized within Level 3 if the inputs used to valuation models have changed:

		March 31, 2024				
			Recognized in		Recognized in other	
			profit or loss		comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets:						
Foreign unlisted stocks						
	Enterprise value to EBITDA multiple	±1%	\$ -	\$ -	\$ 306	\$ 345
	Price to book ratio multiple	±1%	-	-	29	29
	Discount for lack of marketability	±1%	-	-	993	993
			<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,328</u>	<u>\$ 1,367</u>

		March 31, 2023				
			Recognized in		Recognized in other	
			profit or loss		comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets:						
Foreign unlisted stocks						
	Enterprise value to EBITDA multiple	±1%	\$ -	\$ -	\$ 2,714	\$ 2,714
	Discount for lack of marketability	±1%	-	-	3,728	3,728
			<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,442</u>	<u>\$ 6,442</u>

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Financings provided: None.

B. Endorsements and guarantees provided: There were no endorsements and guarantees provided by the Company. For information related to the Company's letter of guarantee for duty, please refer to Note 9(1).

C. Marketable securities held at the end of the period (excluding investments in subsidiaries, associates and joint ventures):

Held company name	Marketable securities type and name	Relationship with the company	General ledger account	As of March 31, 2024				
				Number of shares	Carrying amount	Ownership (%)	Fair value	Note
The Company	Solar Applied Materials Technology Corporation	None	Financial assets at fair value through profit or loss	1,100,000	\$ 54,505	0.18	\$ 54,505	
The Company	RYOWA CO., LTD.	None	Financial assets at fair value through other comprehensive income	420	80,787	18.12	80,787	
The Company	CONNECTEC JAPAN Corporation	None	Financial assets at fair value through other comprehensive income	56,497	2,909	2.74	2,909	

D. Marketable securities acquired or disposed of with accumulated amount exceeding the lower of \$300 million or 20% of the paid-in capital:

Investor	Marketable securities type and name	General ledger account	Counterparty	Relationship with the investee	Balance as of January 1, 2024		Acquisition		Disposal			Balance as of March 31, 2024		
					Number of shares/units (in thousands)	Amount	Number of shares/units (in thousands)	Amount	Number of shares/units (in thousands)	Selling price	Book value	Gain on disposal	Number of shares/units (in thousands)	Amount
The Company	Capital Money Market Fund	Note	N/A	N/A	-	\$ -	18,075	\$ 300,000	18,075	\$ 300,624	\$ 300,000	\$ 624	-	\$ -
The Company	Union Money Market Fund	Note	N/A	N/A	-	-	22,086	300,000	22,086	300,634	300,000	634	-	-
The Company	Taishin Ta-Chong Money Market Fund	Note	N/A	N/A	-	-	20,523	300,000	20,523	300,626	300,000	626	-	-
The Company	Shin Kong Chi-Shin Money-market Fund	Note	N/A	N/A	-	-	18,853	300,000	18,853	300,624	300,000	624	-	-
The Company	Jih Sun Money Market Fund	Note	N/A	N/A	-	-	19,654	300,000	19,654	300,647	300,000	647	-	-
The Company	PGIM Money Market Fund	Note	N/A	N/A	-	-	18,440	300,000	18,440	300,621	300,000	621	-	-
The Company	FSITC Money Market	Note	N/A	N/A	-	-	1,637	300,000	1,637	300,748	300,000	748	-	-

Note : Accounted for as “Financial assets at fair value through profit or loss”.

- E. Acquisition of real estate properties with amount exceeding the lower of \$300 million or 20% of the paid-in capital: None.
- F. Disposal of real estate properties with amount exceeding the lower of \$300 million or 20% of paid-in capital: None.
- G. Purchases from or sales to related parties with amount exceeding the lower of \$100 million or 20% of paid-in capital or more: None.
- H. Receivables from related parties with amount exceeding the lower of \$100 million or 20% of paid-in capital or more: None.
- I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods:

Number	Company name	Counterparty	Relationship	Transaction			Percentage of consolidated total revenues or total assets
				General ledger account	Amount	Transaction terms	
0	The Company	ChipMOS USA	Note	Service expense	\$ 10,242	-	0.19%
0	The Company	ChipMOS Shanghai	Note	Service expense	4,228	-	0.08%

Note: Represents the transactions from parent company to subsidiary.

(2) Information on investees

Names, locations and related information of investees (excluding information on investments in the P.R.C.):

Investor	Investee	Location	Main business activities	Original investment amount		Shares held as of March 31, 2024			Net profit (loss) of the investee for the three months ended March 31, 2024	Investment income (loss) recognized for the three months ended March 31, 2024	Note
				Ending balance	Beginning balance	Number of shares	Ownership (%)	Carrying amount			
The Company	ChipMOS USA	San Jose, USA	Marketing of semiconductors and electronic related products	\$ 217,918	\$ 217,918	3,550,000	100	\$ 271,852	\$ 2,683	\$ 2,683	
The Company	ChipMOS BVI	British Virgin Islands	Holding company	3,087,825	3,087,825	2,413,992,975	100	4,252,872	(2,383)	(2,383)	
The Company	JMC	Kaohsiung, Taiwan	Manufacturing, processing and trading of high-end flexible IC substrates for display driver ICs	148,007	148,007	8,300,000	10	288,755	22,092	2,209	Note
The Company	Daypower Energy	New Taipei, Taiwan	Energy technology services	12,500	12,500	1,000,000	10	12,847	(6,192)	(619)	Note

Note: Company's associate accounted for using equity method.

(3) Information on investments in the P.R.C.

A. Basic information:

Investee in P.R.C.	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to P.R.C. as of	Amount remitted from Taiwan to P.R.C./ Amount remitted back to Taiwan for the three months ended		Accumulated amount of remittance from Taiwan to P.R.C. as of	Net income of investee for the three months ended	Ownership (%) held by the Company (directly or indirectly)	Investment income recognized for the three months ended	Carrying amount of investments in P.R.C. as of	Accumulated amount of investment income remitted back to Taiwan through	Note
				January 1, 2024	March 31, 2024	Remitted to P.R.C.	Remitted back to Taiwan					March 31, 2024	
Unimos Shanghai	Semiconductor assembling and testing services	\$ 10,817,191	Note 1	\$ 2,885,586	\$ -	\$ -	\$ 2,885,586	\$ -	45.02	\$ -	\$ 4,278,658	\$ -	Note 2
ChipMOS Shanghai	Marketing of semiconductors and electronic related products	15,113	Note 1	15,113	-	-	15,113	148	100.00	148	17,876	-	Note 3

Note 1: Through investing in an existing company (ChipMOS BVI) in the third area, which then invested in the investee in P.R.C.

Note 2: ChipMOS BVI has reclassified the investment accounted for using equity method in Unimos Shanghai as non-current assets held for sale. Information relating to non-current assets held for sale is provided in Notes 6(7)(9).

Note 3: Recognized based on the financial statements that are reviewed by the Company's independent accountants.

Company name	Accumulated amount of remittance from Taiwan to P.R.C. as of March 31, 2024	Investment amount approved by the Investment Commission of MOEA	Limit on investments in P.R.C. imposed by the Investment Commission of MOEA
The Company	\$ 2,900,699	\$ 2,900,699	\$ 15,169,728

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the P.R.C.: None.

(4) Major shareholders information

<u>Major shareholder name</u>	<u>Number of shares</u>	<u>Ownership (%)</u>	<u>Notes</u>
First Bank in Its Capacity as Master Custodian for Custodial Account of ChipMOS' ADSs	87,129,434	11.98	Notes 1, 2
SPIL	78,910,390	10.85	Note 1
Yann Yuan Investment Co., Ltd.	41,200,000	5.66	Note 1

Note 1: The information is calculated by the Taiwan Depository & Clearing Corporation, based on total number of ordinary shares and preferred shares that have completed the dematerialized registration and delivery (including treasury shares) for shareholders who owns more than 5% of the Company on the last business day at the end of each quarter. However, there may be differences due to basis of preparation between the share capital recorded in the company's consolidated financial report and the number of shares which the Company has completed the dematerialized registration and delivery.

Note 2: For shareholders who transfer shares into a trust, they are disclosed by the principal of individual account opened by the trustee. As for shareholders who declare insider equity holding for more than 10% in accordance with the Securities and Exchange Act, their shareholdings include their personal shareholdings plus the shares transferred to a trust and have the rights to make decisions on trust property. Please refer to the information on the MOPS for insider equity declaration.

14. SEGMENT INFORMATION

(1) General information

The Group engages mainly in the assembly and testing of semiconductors, memory modules and general investments. In accordance with IFRS 8, “Operating Segments”, the Group’s segments include Testing, Assembly, Display panel driver semiconductor assembly and testing (“LCDD”), Bumping and others as the five reportable segments.

(2) Measurement of segment information

The Group’s reportable segments are strategic business units which provide different products and services. The accounting policies adopted by the operating segments are the same as the accounting policies described in Note 4.

(3) Information about segment profit or loss

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

	Three months ended March 31, 2024						Total
	Testing	Assembly	LCDD	Bumping	Others	Elimination	
Revenue:							
External customers	\$ 1,104,282	\$ 1,389,714	\$ 1,772,382	\$ 1,152,336	\$ -	\$ -	\$ 5,418,714
Inter-segment	-	-	-	-	14,312	(14,312)	-
Total revenue	<u>\$ 1,104,282</u>	<u>\$ 1,389,714</u>	<u>\$ 1,772,382</u>	<u>\$ 1,152,336</u>	<u>\$ 14,312</u>	<u>\$ (14,312)</u>	<u>\$ 5,418,714</u>
Operating profit (loss)	<u>\$ 142,950</u>	<u>\$ (248,671)</u>	<u>\$ 362,589</u>	<u>\$ 107,391</u>	<u>\$ (1,152)</u>	<u>\$ (81)</u>	<u>\$ 363,026</u>
	Three months ended March 31, 2023						
Revenue:	Testing	Assembly	LCDD	Bumping	Others	Elimination	Total
External customers	\$ 1,029,792	\$ 1,075,883	\$ 1,598,860	\$ 900,599	\$ -	\$ -	\$ 4,605,134
Inter-segment	-	-	-	-	11,850	(11,850)	-
Total revenue	<u>\$ 1,029,792</u>	<u>\$ 1,075,883</u>	<u>\$ 1,598,860</u>	<u>\$ 900,599</u>	<u>\$ 11,850</u>	<u>\$ (11,850)</u>	<u>\$ 4,605,134</u>
Operating profit (loss)	<u>\$ 140,314</u>	<u>\$ (280,925)</u>	<u>\$ 280,829</u>	<u>\$ 47,239</u>	<u>\$ (2,002)</u>	<u>\$ (10)</u>	<u>\$ 185,445</u>

(4) Reconciliation for segment income (loss)

Revenue from external customers and segment income (loss) reported to the chief operating decision maker are measured using the same method as for revenue and operating profit in the financial statements. Thus, no reconciliation is needed.