

**Sitronix Technology Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Six-Month Periods Ended June 30, 2024 and
2023 and Independent Auditors' Review Report**

Sitronix Technology Corporation and Subsidiaries

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and the Shareholders
Sitronix Technology Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Sitronix Technology Corporation and its subsidiaries (the "Group") as of June 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2024 and 2023, the related consolidated statements of changes in equity and cash flows for the six-month periods ended of June 30, 2024 and 2023, and the 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 NO.34, "Interim Financial Reporting" as endorsed and became effective by 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 basis for qualified conclusion paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of 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 12 to the consolidated financial statements, the financial statements of non-significant subsidiaries included in the consolidated financial statements were not reviewed. As of June 30, 2024 and 2023, the combined total assets of these non-significant subsidiaries were NT\$3,154,318 thousand and NT\$2,634,445 thousand, respectively, representing 15.56% and 12.74%, respectively, of the Group's consolidated total assets, and the combined total liabilities of these non-significant subsidiaries as of June 30, 2024 and 2023 were NT\$655,435 thousand and NT\$450,277 thousand, respectively, representing 10.83% and 5.77%, respectively, of the Group's consolidated total liabilities; for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, the amounts of comprehensive income (loss) of these subsidiaries were NT\$(23,672) thousand, NT\$3,044 thousand, NT\$(5,639) thousand and NT\$(23,247) thousand, respectively, representing (3.05)% , 0.39% , (0.36)% and (1.85)% , respectively, of the Group's consolidated comprehensive income (loss). As disclosed in Note 13 to the consolidated financial statements, as of June 30, 2024, the balance of investments accounted for using the equity method was NT\$5,606 thousand, and for the three months ended June 30, 2024 and for the six months ended June 30, 2024, the balance of share

of losses of associates were NT\$(692) thousand and NT\$(1,317) thousand, the financial statements were based on unreviewed of invested in associates as of and for the same reporting periods.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investments accounted for using the equity method 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 give a true and fair view of the consolidated financial position of the Group as of June 30, 2024 and 2023, its consolidated financial performance for the three-month periods ended June 30, 2024 and 2023 and its consolidated financial performance and its consolidated cash flows for the six-month periods ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” by the Financial Supervisory Commission of the ROC.

The engagement partners on the reviews resulting in this independent auditors’ review report are Ya-Yun Chang and Mei-Chen Tsai.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 1, 2024

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.

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS JUNE 30, 2024, DECEMBER 31 AND JUNE 30, 2023 (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2024		December 31, 2023		June 30, 2023		LIABILITIES AND EQUITY	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							CURRENT LIABILITIES						
Cash and cash equivalents (Notes 6 and 32)	\$ 6,102,463	30	\$ 5,499,342	28	\$ 8,522,619	41	Short-term borrowings (Notes 19, 30 and 32)	\$ 30,980	-	\$ -	-	\$ -	-
Financial assets at fair value through profit or loss - current (Notes 7 and 32)	750,540	4	623,250	3	543,307	3	Financial liabilities at fair value through profit or loss (Notes 7 and 32)	37,012	-	27,793	-	39,531	-
Financial assets at fair value through other comprehensive income – current (Notes 8 and 32)	675,566	3	667,938	3	743,750	4	Notes payable and trade payables (Note 32)	1,776,184	9	1,974,921	10	2,092,327	10
Financial assets at amortized cost – current (Notes 9, 32 and 34)	2,501,541	12	3,133,690	16	1,250,347	6	Accrued profit sharing bonus to employees' compensation and remuneration of directors (Note 24)	296,443	2	330,763	2	357,024	2
Notes receivable and trade receivables (Notes 10, 23 and 32)	1,706,001	9	1,592,929	8	1,515,711	7	Dividends payable	1,452,166	7	-	-	2,819,587	14
Trade receivables from related parties (Notes 23, 32 and 33)	55	-	1,782	-	-	-	Other payables (Notes 20 and 32)	1,518,190	8	1,473,716	7	1,517,905	7
Other receivables (Notes 10 and 32)	143,900	1	116,874	1	92,709	-	Other payables to related parties (Notes 32 and 33)	345	-	371	-	118	-
Inventories (Note 11)	2,965,679	15	2,660,629	14	2,993,595	15	Current tax liabilities (Notes 4 and 25)	385,896	2	562,401	3	347,341	2
Prepayments (Notes 18, 33 and 35)	228,529	1	191,653	1	153,623	1	Lease liabilities - current (Notes 15, 30 and 32)	57,263	-	46,884	-	47,157	-
Other current assets (Notes 18 and 32)	34,695	-	12,915	-	12,427	-	Other current liabilities (Notes 20, 23 and 32)	67,575	-	148,616	1	112,054	1
Total current assets	15,108,969	75	14,501,002	74	15,828,088	77	Total current liabilities	5,622,054	28	4,565,465	23	7,333,044	36
NON-CURRENT ASSETS							NON-CURRENT LIABILITIES						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 32)	223,095	1	302,718	2	259,423	1	Deferred tax liabilities (Notes 4 and 25)	18,480	-	23,329	-	13,970	-
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 32)	1,690,127	8	1,203,010	6	1,025,174	5	Lease liabilities - non-current (Notes 15, 30 and 32)	128,571	1	104,905	1	120,132	1
Financial assets at amortized cost - non-current (Notes 9 and 32)	-	-	30,870	-	31,362	-	Net defined benefit liabilities - non-current (Notes 4 and 21)	25,404	-	26,355	-	30,264	-
Investments accounted for using the equity method (Note 13)	5,606	-	5,202	-	-	-	Other non-current liabilities (Notes 30, 32, 33 and 35)	256,360	1	267,797	1	302,024	1
Property, plant and equipment (Note 14)	1,903,770	9	1,867,934	10	1,885,388	9							
Right-of-use assets (Note 15)	198,853	1	146,749	1	163,065	1	Total non-current liabilities	428,815	2	422,386	2	466,390	2
Investment properties (Note 16)	640,738	3	637,589	3	642,288	3							
Goodwill (Note 28)	7,074	-	7,074	-	-	-	Total liabilities	6,050,869	30	4,987,851	25	7,799,434	38
Intangible assets (Note 17)	179,427	1	195,713	1	91,450	-	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Notes 22, 27 and 29)						
Deferred tax assets - non-current (Notes 4 and 25)	4,197	-	5,771	-	7,345	-	Share capital						
Other non-current assets (Notes 18, 32 and 35)	315,236	2	679,231	3	741,779	4	Ordinary shares	1,201,369	6	1,201,369	6	1,201,369	6
							Capital surplus	1,843,843	9	1,839,449	9	1,703,650	8
Total non-current assets	5,168,123	25	5,081,861	26	4,847,274	23	Retained earnings Legal reserve						
							Legal reserve	2,351,222	12	2,165,105	11	2,165,105	10
							Special reserve	76,387	-	288,225	1	288,225	1
							Unappropriated earnings	5,184,020	25	5,633,437	29	4,660,464	23
							Total retained earnings	7,611,629	37	8,086,767	41	7,113,794	34
							Other equity						
							Exchange differences on translating the financial statements of foreign operations	26,838	-	(2,758)	-	(5,421)	-
							Unrealized gain (loss) on financial assets at fair value through other comprehensive income	139,851	1	(73,630)	-	(118,693)	(1)
							Total other equity	166,689	1	(76,388)	-	(124,114)	(1)
							Treasury shares	(56,009)	-	(56,009)	-	(56,009)	-
							Total equity attributable to owners of the Company	10,767,521	53	10,995,188	56	9,838,690	47
							NON-CONTROLLING INTERESTS (Notes 12, 22, 28 and 29)						
							Total equity	14,226,223	70	14,595,012	75	12,875,928	62
TOTAL	\$ 20,277,092	100	\$ 19,582,863	100	\$ 20,675,362	100	TOTAL	\$ 20,277,092	100	\$ 19,582,863	100	\$ 20,675,362	100

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated August 1, 2024)

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three-Month Periods Ended June 30				For the Six-Month Periods Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
NET REVENUE (Notes 23 and 33)	\$ 4,377,074	100	\$ 4,409,563	100	\$ 8,526,303	100	\$ 8,010,179	100
OPERATING COSTS (Notes 11 and 24)	<u>2,839,550</u>	<u>65</u>	<u>2,860,285</u>	<u>65</u>	<u>5,514,012</u>	<u>65</u>	<u>5,376,301</u>	<u>67</u>
GROSS PROFIT	<u>1,537,524</u>	<u>35</u>	<u>1,549,278</u>	<u>35</u>	<u>3,012,291</u>	<u>35</u>	<u>2,633,878</u>	<u>33</u>
OPERATING EXPENSES (Notes 10, 24 and 33)								
Selling and marketing expenses	72,715	2	71,797	1	156,740	2	140,361	2
General and administrative expenses	186,480	4	163,129	4	354,021	4	298,692	4
Research and development expenses	610,424	14	575,836	13	1,205,246	14	1,069,352	13
Expected credit loss	<u>167</u>	<u>-</u>	<u>1,085</u>	<u>-</u>	<u>299</u>	<u>-</u>	<u>1,237</u>	<u>-</u>
Total operating expenses	<u>869,786</u>	<u>20</u>	<u>811,847</u>	<u>18</u>	<u>1,716,306</u>	<u>20</u>	<u>1,509,642</u>	<u>19</u>
OTHER OPERATING INCOME AND EXPENSES (Note 24)	<u>352</u>	<u>-</u>	<u>288</u>	<u>-</u>	<u>642</u>	<u>-</u>	<u>557</u>	<u>-</u>
INCOME FROM OPERATIONS	<u>668,090</u>	<u>15</u>	<u>737,719</u>	<u>17</u>	<u>1,296,627</u>	<u>15</u>	<u>1,124,793</u>	<u>14</u>
NON-OPERATING INCOME AND EXPENSES (Notes 24 and 33)								
Interest income	46,958	1	44,803	1	92,277	1	78,787	1
Other income	24,256	1	27,335	-	50,380	1	40,458	-
Other gains and losses	34,664	1	27,947	1	76,415	1	48,500	1
Finance costs	(2,858)	-	(831)	-	(5,449)	-	(1,674)	-
Share of losses of associates	(692)	-	-	-	(1,317)	-	-	-
Total non-operating income and expenses	<u>102,328</u>	<u>3</u>	<u>99,254</u>	<u>2</u>	<u>212,306</u>	<u>3</u>	<u>166,071</u>	<u>2</u>
INCOME BEFORE INCOME TAX	770,418	18	836,973	19	1,508,933	18	1,290,864	16
INCOME TAX EXPENSE (Notes 4 and 25)	<u>97,073</u>	<u>2</u>	<u>117,581</u>	<u>3</u>	<u>208,831</u>	<u>3</u>	<u>195,660</u>	<u>2</u>
NET INCOME	<u>673,345</u>	<u>16</u>	<u>719,392</u>	<u>16</u>	<u>1,300,102</u>	<u>15</u>	<u>1,095,204</u>	<u>14</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 22)								
Items that will not be reclassified subsequently to profit or loss								
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	94,336	2	75,957	2	224,075	3	173,256	2
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translation of the financial statements of foreign operations	9,029	-	(17,580)	-	30,957	-	(16,001)	-
Unrealized (loss) gain on investments in debt instruments at fair value through other comprehensive income	(375)	-	4,997	-	9,226	-	6,402	-
Other comprehensive (loss) income for the period, net of income tax	<u>102,990</u>	<u>2</u>	<u>63,374</u>	<u>2</u>	<u>264,258</u>	<u>3</u>	<u>163,657</u>	<u>2</u>

(Continued)

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three-Month Periods Ended June 30				For the Six-Month Periods Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 776,335</u>	<u>18</u>	<u>\$ 782,766</u>	<u>18</u>	<u>\$ 1,564,360</u>	<u>18</u>	<u>\$ 1,258,861</u>	<u>16</u>
NET INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 531,189	12	\$ 591,274	13	\$ 964,687	11	\$ 888,190	11
Non-controlling interests	<u>142,156</u>	<u>3</u>	<u>128,118</u>	<u>3</u>	<u>335,415</u>	<u>4</u>	<u>207,014</u>	<u>3</u>
	<u>\$ 673,345</u>	<u>15</u>	<u>\$ 719,392</u>	<u>16</u>	<u>\$ 1,300,102</u>	<u>15</u>	<u>\$ 1,095,204</u>	<u>14</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 630,032	15	\$ 652,732	15	\$ 1,209,581	14	\$ 1,045,838	13
Non-controlling interests	<u>146,303</u>	<u>3</u>	<u>130,034</u>	<u>3</u>	<u>354,779</u>	<u>4</u>	<u>213,023</u>	<u>3</u>
	<u>\$ 776,335</u>	<u>18</u>	<u>\$ 782,766</u>	<u>18</u>	<u>\$ 1,564,360</u>	<u>18</u>	<u>\$ 1,258,861</u>	<u>16</u>
EARNINGS PER SHARE (Note 26)								
Basic	<u>\$ 4.43</u>		<u>\$ 4.93</u>		<u>\$ 8.05</u>		<u>\$ 7.41</u>	
Diluted	<u>\$ 4.42</u>		<u>\$ 4.92</u>		<u>\$ 8.01</u>		<u>\$ 7.35</u>	

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

(With Deloitte & Touche review report dated August 1, 2024)

(Concluded)

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Company (Notes 22, 27 and 29)											
	Share Capital		Capital Surplus	Retained Earnings			Other Equity		Treasury Share	Total	Non-controlling Interests (Notes 12,22,28 and 29)	Total Equity
	Number of Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
BALANCE, JANUARY 1, 2023	120,137	\$ 1,201,369	\$ 1,690,740	\$ 1,801,820	\$ 105,464	\$ 6,961,331	\$ 9,186	(\$ 290,948)	(\$ 56,009)	\$ 11,422,953	\$ 3,342,919	\$ 14,765,872
Appropriation of 2022 earnings												
Legal reserve	-	-	-	363,285	-	(363,285)	-	-	-	-	-	-
Special reserve	-	-	-	-	182,761	(182,761)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(2,643,011)	-	-	-	(2,643,011)	-	(2,643,011)
Other changes in capital surplus												
Changes in percentage of ownership interests in subsidiaries	-	-	12,910	-	-	-	-	-	-	12,910	(12,910)	-
Net income for the six-month period ended June 30, 2023	-	-	-	-	-	888,190	-	-	-	888,190	207,014	1,095,204
Other comprehensive income (loss) for the six-month period ended June 30, 2023	-	-	-	-	-	-	(14,607)	172,255	-	157,648	6,009	163,657
Total comprehensive income (loss) for the six-month period ended June 30, 2023	-	-	-	-	-	888,190	(14,607)	172,255	-	1,045,838	213,023	1,258,861
Increase in non- controlling interests	-	-	-	-	-	-	-	-	-	-	66,493	66,493
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(572,287)	(572,287)
BALANCE, JUNE 30, 2023	120,137	\$ 1,201,369	\$ 1,703,650	\$ 2,165,105	\$ 288,225	\$ 4,660,464	(\$ 5,421)	(\$ 118,693)	(\$ 56,009)	\$ 9,838,690	\$ 3,037,238	\$ 12,875,928
BALANCE, JANUARY 1, 2024	120,137	\$ 1,201,369	\$ 1,839,449	\$ 2,165,105	\$ 288,225	\$ 5,633,437	(\$ 2,758)	(\$ 73,630)	(\$ 56,009)	\$ 10,995,188	\$ 3,599,824	\$ 14,595,012
Appropriation of 2023 earnings												
Legal reserve	-	-	-	186,117	-	(186,117)	-	-	-	-	-	-
Special reserve	-	-	-	-	(211,838)	211,838	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(1,441,642)	-	-	-	(1,441,642)	-	(1,441,642)
Other changes in capital surplus												
Adjustment of capital surplus due to dividends distributed to subsidiaries	-	-	3,349	-	-	-	-	-	-	3,349	3,923	7,272
Changes in percentage of ownership interests in subsidiaries	-	-	859	-	-	-	-	-	-	859	(859)	-
Changes in share of associates	-	-	186	-	-	-	-	-	-	186	-	186
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	1,817	-	(1,817)	-	-	-	-
Net income for the six-month period ended June 30, 2024	-	-	-	-	-	964,687	-	-	-	964,687	335,415	1,300,102
Other comprehensive income (loss) for the six-month period ended June 30, 2024	-	-	-	-	-	-	29,596	215,298	-	244,894	19,364	264,258
Total comprehensive income (loss) for the six-month period ended June 30, 2024	-	-	-	-	-	964,687	29,596	215,298	-	1,209,581	354,779	1,564,360
Increase in non- controlling interests	-	-	-	-	-	-	-	-	-	-	1,560	1,560
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(500,525)	(500,525)
BALANCE, JUNE 30, 2024	120,137	\$ 1,201,369	\$ 1,843,843	\$ 2,351,222	\$ 76,387	\$ 5,184,020	\$ 26,838	\$ 139,851	(\$ 56,009)	\$ 10,767,521	\$ 3,458,702	\$ 14,226,223

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

(With Deloitte & Touche review report dated August 1, 2024)

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	For the Six-Month Periods Ended June 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,508,933	\$ 1,290,864
Adjustments for:		
Depreciation expense	200,916	185,682
Amortization expense	49,203	30,500
Expected credit loss recognized on trade receivables	299	1,237
Net gain on fair value changes of financial assets designated as at fair value through profit or loss	(36,378)	(30,502)
Finance costs	5,449	1,674
Interest income	(92,277)	(78,787)
Dividend income	(15,345)	(14,025)
Compensation costs of share-based payments	-	7,580
Share of losses of associates	1,317	-
Net(gain) loss on disposal of property, plant and equipment	(45)	18
Gain on disposal of financial instruments	(1,473)	-
Write-down of inventories recognized	23,398	15,124
Impairment loss recognized on prepayment for purchase	-	63,370
Unrealized net gain on foreign currency exchange	(6,201)	(966)
Other income	(1,535)	-
Changes in operating activities assets and liabilities		
Notes receivable and trade receivables	(76,974)	(281,315)
Receivables from related parties	1,727	1,469
Other receivables	(25,968)	11,148
Inventories	(328,448)	1,390,624
Prepayments	(28,503)	(11,131)
Other current assets	(21,780)	(2,486)
Notes payable and trade payables	98,351	1,085,706
Other payables	13,571	(312,493)
Other payables to related parties	(26)	(64)
Other current liabilities	(50,336)	(41,801)
Net defined benefit liabilities	(951)	(1,127)
Accrued profit sharing bonus to employees' compensation and remuneration of directors	(34,320)	(254,719)
Cash generated from operations	1,182,604	3,055,580
Interest received	91,058	73,964
Interest paid	(5,282)	(1,664)
Income tax paid	(388,275)	(828,735)
Net cash generated from operating activities	<u>880,105</u>	<u>2,299,145</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(372,258)	(72,348)

(Continued)

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	For the Six-Month Periods Ended June 30	
	2024	2023
Disposal of financial assets at fair value through other comprehensive income	\$ 124,155	\$ -
Purchase of financial assets measured at amortized cost	(2,695,072)	(2,000,069)
Proceeds from the return of principal of financial assets at amortized cost	3,359,788	3,166,611
Acquisition of financial assets at fair value through profit or loss	(310,854)	(124,330)
Disposal of financial assets at fair value through profit or loss	308,349	213,741
Acquisition of property, plant and equipment	(240,756)	(207,755)
Proceeds from disposal of property, plant and equipment	48	-
Increase in refundable deposits	(2,570)	(1,506)
Decrease in refundable deposits	60,348	61,937
Acquisition of intangible assets	(32,643)	(45,923)
Acquisition of right-of-use assets	(7,591)	-
Acquisition of investment properties	(3,487)	-
Dividends received	<u>15,583</u>	<u>14,025</u>
Net cash generated from investing activities	<u>203,040</u>	<u>1,004,383</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,142,337	54,097
Repayments of short-term borrowings	(1,111,222)	(72,142)
Increase in guarantee deposits	14,387	4,615
Decrease in guarantee deposits	(78,316)	(63,857)
Repayment of the principal portion of lease liabilities	(27,778)	(24,820)
Dividends paid to non-controlling interests	(482,729)	(395,711)
Increase in non-controlling interests	-	58,000
Employee compensation issued in the form of stock that are not vested	<u>1,560</u>	<u>913</u>
Net cash used in financing activities	<u>(541,761)</u>	<u>(438,905)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>61,737</u>	<u>(3,721)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	603,121	2,860,902
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>5,499,342</u>	<u>5,661,717</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 6,102,463</u>	<u>\$ 8,522,619</u>

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

(With Deloitte & Touche review report dated August 1, 2024)

(Concluded)

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Sitronix Technology Corporation (the “Company”) was incorporated in Taipei City, Taiwan (ROC) in July 1992 and commenced operations in the same year. The principal place of business is located in Tai Yuen Hi-Tech Industrial Park, Hsinchu County. The Company operates principally as a designer, manufacturer and supplier of integrated circuits (ICs) and memory chips and focuses on display driver ICs (DDIs) for entry-level mobile phones, industrial displays and automotive systems.

The Company’s shares have been listed on the Taiwan Stock Exchange (TWSE) since December 25, 2003.

In order to improve the Company’s overall operating performance and increase market competitiveness, the Company reorganized the Group’s structure, carried out a professional division of labor and coordinated the allocation of the Group’s resources. On March 18, 2021, according to the Business Mergers And Acquisitions Act and the Company Act, the Company’s board of directors resolved to spin off the automotive business division to the Company’s subsidiary, Forcelead Technology Corp., which issued new ordinary shares as consideration for the transfer. The spin-off completion date is June 1, 2021.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors and authorized for issue on August 1, 2024.

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 “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

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

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Issued by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)

Note1 : The Group shall apply those amendments for annual reporting period beginning on or after January 1, 2025. Upon initial application of the amendments, the comparison period may not be restated, and the Group recognizes any effect (as an adjustment) to the opening balance of retained earnings or the exchange differences on foreign operations under equity (where applicable) and the related affected assets and liabilities.

- c. The IFRS Accounting Standards issued by IASB but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

1) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosure required for a complete set of annual consolidated financial statements prepared under the IFRS Accounting Standards.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

See Note 12 and Tables 7 and 8 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2023.

1) Classification of current and non-current assets and liabilities

Current assets include:

- a) Assets held primarily for the purpose of trading;
- b) Assets expected to be realized within 12 months after the reporting period; and
- c) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- a) Liabilities held primarily for the purpose of trading;
- b) Liabilities due to be settled within 12 months after the reporting period; and
- c) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

2) Defined benefit – retirement benefits

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

3) Taxation

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

4) Share-based payment arrangements

a) Restricted stock units for employees

The fair value at the grant date of the employee restricted stock is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in non-controlling interests.

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the possible impact of inflation and market rate of interest fluctuations into significant accounting estimates when making its critical significant accounting estimates on cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis.

For the summary of critical accounting judgments and key sources of estimation uncertainty, refer to the consolidated financial statements for the year ended December 31, 2023.

6. CASH AND CASH EQUIVALENTS

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand	\$ 259	\$ 281	\$ 294
Checking and demand deposits	868,157	887,402	1,187,366
Time deposits	3,177,836	4,128,237	5,131,081
Cash equivalents	2,056,211	483,422	2,203,878
	<u>\$ 6,102,463</u>	<u>\$ 5,499,342</u>	<u>\$ 8,522,619</u>

The market rate intervals of time deposits and cash equivalents at the end of the reporting period were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Time deposits	1.285%~5.35%	0.395%~5.400%	0.55%~5.10%
Cash equivalents	1.25%~5.38%	1.250%~5.400%	1.050%~4.90%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets at FVTPL - current</u>			
Mandatorily measured at FVTPL			
Derivative financial assets			
Credit linked notes-linked with convertible bonds	\$ 230,149	\$ 170,667	\$ 142,847
Equity linked notes	31,804	15,466	15,665
Foreign exchange forward contracts and foreign exchange swap contracts	45,796	37,811	45,311
Non-derivative financial assets			
Domestic mutual fund investments	272,847	241,345	203,518
Convertible bonds	124,675	113,786	91,794

(Continued)

	June 30, 2024	December 31, 2023	June 30, 2023
Exchangeable bonds	\$ 42,020	\$ 41,520	\$ 41,800
Domestic listed shares	3,249	2,655	2,372
	<u>\$ 750,540</u>	<u>\$ 623,250</u>	<u>\$ 543,307</u>
<u>Financial assets at FVTPL - non-current</u>			
Mandatorily measured at FVTPL			
Derivative financial assets			
Credit linked notes - linked with convertible bonds	\$ 80,426	\$ 220,544	\$ 200,260
Non-derivative financial assets			
Limited partnership	142,669	82,174	59,163
	<u>\$ 223,095</u>	<u>\$ 302,718</u>	<u>\$ 259,423</u>
<u>Financial liabilities at FVTPL - current</u>			
Mandatorily measured at FVTPL			
Derivative financial liabilities			
Foreign exchange forward contracts and foreign exchange swap contracts	\$ 37,012	\$ 27,793	\$ 39,531
			(Concluded)

At the end of the reporting period, outstanding foreign exchange forward contracts and foreign exchange swaps not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>June 30, 2024</u>			
Sell forward exchange contracts	USD/NTD	2024.07.03~2024.12.27	US\$43,000/NT\$1,358,338
Buy forward exchange contracts	NTD/USD	2024.07.01~2024.12.31	NT\$1,349,554/US\$43,000
<u>December 31, 2023</u>			
Sell forward exchange contracts	USD/NTD	2024.01.04~2024.08.14	US\$44,500/NT\$1,381,382
Buy forward exchange contracts	NTD/USD	2024.01.03~2024.08.16	NT\$1,432,774/US\$46,500
<u>June 30, 2023</u>			
Sell forward exchange contracts	USD/NTD	2023.07.17-2024.04.17	US\$35,000/NT\$1,050,369
Buy forward exchange contracts	NTD/USD	2023.07.13-2024.04.15	NT\$1,044,589/US\$35,000

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

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Investments in equity instruments at FVTOCI	\$ 596,876	\$ 561,273	\$ 545,578
Investments in debt instruments at FVTOCI	78,690	106,665	198,172
	<u>\$ 675,566</u>	<u>\$ 667,938</u>	<u>\$ 743,750</u>
<u>Non-current</u>			
Investments in equity instruments at FVTOCI	\$1,248,598	\$ 791,077	\$ 764,378
Investments in debt instruments at FVTOCI	441,529	411,933	260,796
	<u>\$1,690,127</u>	<u>\$1,203,010</u>	<u>\$1,025,174</u>

a. Investments in equity instruments at FVTOCI

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Domestic investments			
Listed shares (1) and (2)	<u>\$ 596,876</u>	<u>\$ 561,273</u>	<u>\$ 545,578</u>
<u>Non-current</u>			
Domestic investments			
Unlisted equity investments (1)	\$ 544,520	\$ 218,352	\$ 221,653
Foreign investments			
Unlisted equity investments (1)	<u>704,078</u>	<u>572,725</u>	<u>542,725</u>
	<u>\$ 1,248,598</u>	<u>\$ 791,077</u>	<u>\$ 764,378</u>

- 1) These investments in equity instruments are not held for trading. Instead, they are held for strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for purposes.
- 2) For the six-month period ended June 30, 2024, in order to manage credit concentration risk, the Group sold its ordinary shares of domestic listed companies in the amounts of \$10,952 thousand; and transferred a gain of \$1,817 thousand from other equity to retained earnings.
- 3) For the six-month period ended June 30, 2024, the Group purchased domestic unlisted equity investments at \$280,000 thousand for strategic purposes. The management designated the investment as at FVTOCI.

b. Investments in debt instruments at FVTOCI

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Foreign corporate bonds	\$ 78,690	\$ 106,665	\$ 198,172
<u>Non-current</u>			
Foreign corporate bonds	\$ 392,134	\$ 362,195	\$ 211,010
Domestic corporate bonds	49,395	49,738	49,786
	<u>\$ 441,529</u>	<u>\$ 411,933</u>	<u>\$ 260,796</u>

- 1) For the six-month period ended June 30, 2024, the Group purchased foreign corporate bonds for US\$2,854 thousand with a coupon rate of 2.125% ~ 5.75%.
- 2) In 2023, the Group purchased foreign corporate bonds for US\$4,767 thousand with a coupon rate of 2.50% ~ 5.80%.
- 3) In 2023, the Group purchased domestic corporate bonds for \$49,999 thousand with a coupon rate of 1.537%.
- 4) For the six-month period ended June 30, 2024, the Group disposal value of foreign corporate bonds at maturity was \$113,203 thousand.

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Domestic investments			
Time deposits with original maturities of more than 3 months (a)	\$ 1,637,690	\$ 2,305,000	\$ 425,200
Pledged fixed deposits (b)	831,284	828,690	825,147
	<u>2,468,974</u>	<u>3,133,690</u>	<u>1,250,347</u>
Foreign investments			
Foreign corporate bonds (c)	32,567	-	-
	<u>\$ 2,501,541</u>	<u>\$ 3,133,690</u>	<u>\$ 1,250,347</u>
<u>Non-current</u>			
Foreign investments			
Foreign corporate bonds (c)	\$ -	\$ 30,870	\$ 31,362

- a. The interest rates for time deposits with original maturities of more than 3 months ranged from 0.9% ~ 1.8%, 0.56% ~ 1.80% and 0.395% ~ 1.565% per annum as of June 30, 2024, December 31 and June 30, 2023, respectively.
- b. Refer to Note 34 for information relating to investments in financial assets at amortized cost pledged as security.
- c. In August 2016, the Group purchased the priority unsecured US dollar debt issued by Formosa Group (Cayman) Limited at US\$1,028 thousand, with an expiry date of April 22, 2025 and the coupon rate of 3.375%.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 19	\$ -	\$ 11
Less: Allowance for impairment loss	-	-	-
	<u>\$ 19</u>	<u>\$ -</u>	<u>\$ 11</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 1,727,413	\$ 1,614,048	\$ 1,538,250
Less: Allowance for impairment loss	(21,431)	(21,119)	(22,550)
	<u>\$ 1,705,982</u>	<u>\$ 1,592,929</u>	<u>\$ 1,515,700</u>
<u>Other receivables</u>			
Income tax refund receivable	\$ 110,165	\$ 84,954	\$ 62,885
Interest receivables	29,989	29,139	21,771
Others	3,746	2,781	8,053
	<u>\$ 143,900</u>	<u>\$ 116,874</u>	<u>\$ 92,709</u>

The credit period of sales of goods was 5-135 days. No interest was charged on trade receivables. The Group adopted a policy of obtaining advance payment or sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information or its own historical trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Group annually.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default records of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables and notes receivable based on the Group's provision matrix:

June 30, 2024

	Not Past Due	Up to 60 Days	61 to 90 Days	Over 90 Days	Total
Gross carrying amount	\$ 1,717,018	\$ 4,334	\$ 1,278	\$ 4,802	\$ 1,727,432
Loss allowance (Lifetime ECLs)	(11,871)	(3,679)	(1,278)	(4,603)	(21,431)
Amortized cost	<u>\$ 1,705,147</u>	<u>\$ 655</u>	<u>\$ -</u>	<u>\$ 199</u>	<u>\$ 1,706,001</u>

December 31, 2023

	Not Past Due	Up to 60 Days	61 to 90 Days	Over 90 Days	Total
Gross carrying amount	\$ 1,602,952	\$ 4,381	\$ 1,192	\$ 5,523	\$ 1,614,048
Loss allowance (Lifetime ECLs)	(15,122)	(118)	(356)	(5,523)	(21,119)
Amortized cost	<u>\$ 1,587,830</u>	<u>\$ 4,263</u>	<u>\$ 836</u>	<u>\$ -</u>	<u>\$ 1,592,929</u>

June 30, 2023

	Not Past Due	Up to 60 Days	61 to 90 Days	Over 90 Days	Total
Gross carrying amount	\$ 1,518,936	\$ 7,016	\$ 6,930	\$ 5,379	\$ 1,538,261
Loss allowance (Lifetime ECLs)	(13,881)	(1,644)	(1,646)	(5,379)	(22,550)
Amortized cost	<u>\$ 1,505,055</u>	<u>\$ 5,372</u>	<u>\$ 5,284</u>	<u>\$ -</u>	<u>\$ 1,515,711</u>

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

	For the six-month period ended June 30, 2024	For the six-month period ended June 30, 2023
Balance at January 1	\$ 21,119	\$ 21,338
Plus: provision for expected credit loss	299	1,237
Change in exchange rates or others	13	(25)
Balance at June 30	<u>\$ 21,431</u>	<u>\$ 22,550</u>

Compared with January 1, 2024, the total carrying amount of trade receivables and notes receivable as of June 30, 2024 increased by a net amount of \$113,384 thousand, and the loss allowance increased by \$312 thousand; compared with January 1, 2023, the total carrying amount of trade receivables and notes receivable as of June 30, 2023 increased by a net amount of \$ 290,403 thousand, and the loss allowance increased by \$ 1,212 thousand.

11. INVENTORIES

	June 30, 2024	December 31, 2023	June 30, 2023
Finished goods	\$ 1,072,688	\$ 723,718	\$ 990,853
Work in progress	1,605,756	1,540,029	1,656,688
Raw materials	285,274	394,753	343,212
Merchandise	1,961	2,129	2,842
	<u>\$ 2,965,679</u>	<u>\$ 2,660,629</u>	<u>\$ 2,993,595</u>

Cost of goods sold is defined as follows:

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Cost of inventories sold	\$ 2,823,850	\$ 2,838,272	\$ 5,502,984	\$ 5,303,504
Allowance for inventory valuation loss (reversal of write-down inventories) (a)	18,057	(29,304)	23,398	15,124
Impairment loss on prepayment for purchase	-	58,805	-	63,370
Others	(2,357)	(7,488)	(12,370)	(5,697)
	<u>\$ 2,839,550</u>	<u>\$ 2,860,285</u>	<u>\$ 5,514,012</u>	<u>\$ 5,376,301</u>

- a. The reversal of the inventories to net receivable value was due to the circumstances that caused the net realizable value of inventories to be lower than its cost no longer existed.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

- a. Subsidiaries included in the consolidated financial statements:

Investor	Investee	Main Business	Proportion of Ownership (%)		
			June 30, 2024	December 31, 2023	June 30, 2023
The Company	Sitronix Investment Corp.	Investment	100.00	100.00	100.00
	Sensortek Technology Corp.	R&D, design and sales of sensor integrated circuit products	46.06	46.06	46.06
	INFSitronix Technology Corp.	Comprehensive line of Power supervisor IC design	58.42	58.42	58.42
	mCore Technology Corp.	Providing solutions for consumer display and voice/audio related applications	90.73	90.73	90.73
	Forcelead Technology Corp.	R&D, design and sales of multi-functional integrated automotive display driver ICs	61.01	61.01	68.76
	Sync-Tech System Corp.	Design, manufacturing and maintenance of semiconductor consumables and testing equipment	42.19	42.19	42.86
	Sitronix Holding International Ltd.	Investment	100.00	100.00	100.00
	HeFei ezGreen Co., Ltd.	Design, sales and technical services of Supplier management software development	100.00	100.00	100.00
	HeFei Sitronix Co., Ltd.	R&D, design, sales and technical services of integrated circuits and system hardware and software	90.00	90.00	90.00
	ezGreen Inc.	Software design and electronic information supply services	100.00	100.00	100.00
	Sitronix Technology (Shenzhen) Co., Ltd.	Computer software and hardware development, sales and after-sales service business and related technical consulting services	100.00	100.00	100.00
	HeFei Sitronix Technology Co., Ltd.	R&D, sale and provision of after-sales services and related technical consultancy services of integrated circuits and system hardware and software	100.00	100.00	100.00
	Seer Microelectronics, Inc.	High performance sensor IC chip with single photon design and applications	72.66	72.66	-

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		
			June 30, 2024	December 31, 2023	June 30, 2023
Sitronix Investment Corp.	Sensortek Technology Corp.	R&D, design and sales of sensor integrated circuit products	-	-	-
	INFSitronix Technology Corp.	Comprehensive line of Power supervisor IC design	-	-	-

(Concluded)

The financial statements as of and for the six months ended June 30, 2024 and 2023 of above subsidiaries, except for Sensortek Technology Corp. and Forcelead Technology Corp., the other subsidiaries were non-significant subsidiaries, the financial statements were not reviewed.

As of June 30, 2024, December 31 and June 30, 2023 the Group's shareholding ratio of Sensortek Technology Corp. was 46.06%. Since Sensortek Technology Corp. is a TPEX listed company in the Republic of China, the remaining 53.94% of the shares held are widely dispersed. After considering the absolute number, relative size and distribution of shareholding held by the other shareholders, the Group was judged to have the substantive ability to dominate the relevant activities of Sensortek Technology Corp., therefore, it is classified as a subsidiary.

As of June 30, 2024, December 31 and June 30, 2023, the Group's shareholding ratio of Sync-Tech System Corp. was 42.19%, 42.19% and 42.86%, respectively and was the largest single shareholder of the latter. After considering the absolute number, relative size and distribution of shareholding held by the other shareholders, the Group was judged to have the substantive ability to dominate the relevant activities of Sync-Tech System Corp. therefore, it is classified as a subsidiary.

In 2023, the Group acquired Seer Microelectronics, Inc. by subscribing to its newly issued shares through capital increase. As a result, the Group has accumulated a 72.66% equity stake therefore, it is classified as a subsidiary. For more information, please refer to Note 28.

Please refer to Note 29 for the equity transactions between the Group and non-controlling interests.

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
		June 30, 2024	December 31, 2023	June 30, 2023
Sensortek Technology Corp.	Taiwan	53.94 %	53.94 %	53.94 %
Forcelead Technology Corp.	Taiwan	38.99 %	38.99 %	31.24 %
Sync-Tech System Corp.	Taiwan	57.81 %	57.81 %	57.14 %

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests					
	For the three-month periods ended June 30		For the six-month periods ended June 30		Accumulated Non-controlling Interests	
	2024	2023	2024	2023	June 30, 2024	December 31, 2023
Sensortek Technology Corp.	\$ 58,711	\$ 84,643	\$ 174,918	\$ 141,691	\$ 2,194,674	\$ 2,327,738
Forcelead Technology Corp.	67,666	30,247	120,703	54,647	621,237	652,939
Sync-Tech System Corp.	20,623	13,062	47,857	14,016	521,235	490,089
Others	(4,844)	166	(8,063)	(3,340)	121,556	129,058
Total	\$ 142,156	\$ 128,118	\$ 335,415	\$ 207,014	\$ 3,458,702	\$ 3,599,824

Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations:

	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 6,876,869	\$ 7,378,260	\$ 6,911,005
Non-current assets	2,259,982	2,166,992	1,970,226
Current liabilities	(2,083,492)	(2,290,029)	(2,523,168)
Non-current liabilities	(329,996)	(245,131)	(263,365)
Equity	<u>\$ 6,723,363</u>	<u>\$ 7,010,092</u>	<u>\$ 6,094,698</u>
Equity attributable to:			
Owners of the Company	\$ 3,300,155	\$ 3,446,444	\$ 3,078,466
Non-controlling interests of subsidiaries	<u>3,423,208</u>	<u>3,563,648</u>	<u>3,016,232</u>
	<u>\$ 6,723,363</u>	<u>\$ 7,010,092</u>	<u>\$ 6,094,698</u>

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Revenue	<u>\$ 2,095,349</u>	<u>\$ 1,878,697</u>	<u>\$ 4,238,318</u>	<u>\$ 3,458,267</u>
Net income	\$ 324,951	\$ 277,611	\$ 723,152	\$ 468,129
Other comprehensive income (loss)	(12,997)	4,692	21,667	48,229
Total comprehensive income	<u>\$ 311,954</u>	<u>\$ 282,303</u>	<u>\$ 744,819</u>	<u>\$ 516,358</u>
Profit attributable to:				
Owners of the Company	\$ 174,251	\$ 149,880	\$ 376,197	\$ 258,215
Non-controlling interests of the subsidiaries	<u>150,700</u>	<u>127,731</u>	<u>346,955</u>	<u>209,914</u>
	<u>\$ 324,951</u>	<u>\$ 277,611</u>	<u>\$ 723,152</u>	<u>\$ 468,129</u>
Total comprehensive income attributable to:				
Owners of the Company	\$ 168,319	\$ 152,004	\$ 386,235	\$ 280,411
Non-controlling interests of the subsidiaries	<u>143,635</u>	<u>130,299</u>	<u>358,584</u>	<u>235,947</u>
	<u>\$ 311,954</u>	<u>\$ 282,303</u>	<u>\$ 744,819</u>	<u>\$ 516,358</u>
Net cash inflow (outflow) from:				
Operating activities			\$ 282,967	\$ 1,035,662
Investing activities			(454)	418,328
Financing activities			(1,066,445)	(688,487)
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies			<u>21,837</u>	<u>5,653</u>
Net cash (outflow) inflow			<u>(\$ 762,095)</u>	<u>\$ 771,156</u>
Dividends paid to non-controlling interests			<u>\$ 482,729</u>	<u>\$ 395,711</u>

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

			June 30, 2024	December 31, 2023
<u>Associates that are not individually material</u>				
esGMeta Co.,Ltd.			\$ 5,606	\$ 5,202
			Proportion of Ownership Held and Voting Right	
Company name	Main business	Principal Place of Business	June 30, 2024	December 31, 2023
esGMeta Co.,Ltd.	Carbon footprint verification, analysis of data on carbon system platforms, execution of carbon reduction projects and commissioning of carbon trading rights	Taiwan	33.93%	47.50%

In December 2023, the Group invested \$9,500 thousand in esGMeta Co.,Ltd. (collectively, the “esGMeta Co.,Ltd.”) through technical pricing, and by resolution of the Directors on December 5, 2023, to capital increase was carried out with a shareholding percentage of 47.50%. As the Group has significant influence over this company, it is classified as an investment accounted for using the equity method.

On March 27, 2024, the Group did not participate in the cash capital increase of esGMeta Co.,Ltd. in proportion to its existing ownership, and the Group’s shareholding percentage decreased from 47.50% to 38.00%.

On April 19, 2024, the Group did not participate in the cash capital increase of esGMeta Co.,Ltd. in proportion to its existing ownership, and the Group’s shareholding percentage decreased from 38.00% to 33.93%.

Please refer to Table 7 "Information on Investees, Locations, etc." for information on the nature of business, its area of operations, and country of company registry of the above affiliates.

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery Equipment	Test Equipment	Office Equipment	Property Under Construction	Total
<u>Cost</u>							
Balance at January 1, 2023	\$ 298,723	\$ 977,129	\$ 284,661	\$ 905,299	\$ 30,831	\$ 210,635	\$2,707,278
Additions	-	12,436	41,440	108,841	967	-	163,684
Disposals	-	(1,010)	(4,329)	(69,290)	-	-	(74,629)
Reclassification	22,903	69,072	-	-	-	-	91,975
Effect of foreign currency exchange differences	-	(2,143)	(109)	(1,889)	(153)	(6,021)	(10,315)
Balance at June 30, 2023	<u>\$ 321,626</u>	<u>\$1,055,484</u>	<u>\$ 321,663</u>	<u>\$ 942,961</u>	<u>\$ 31,645</u>	<u>\$ 204,614</u>	<u>\$2,877,993</u>

(Continued)

	Freehold Land	Buildings	Machinery Equipment	Test Equipment	Office Equipment	Property Under Construction	Total
<u>Accumulated depreciation</u>							
Balance at January1, 2023	\$ -	\$ 216,018	\$ 154,136	\$ 519,443	\$ 15,843	\$ -	\$ 905,440
Additions	-	17,355	20,794	115,300	2,018	-	155,467
Disposals	-	(1,010)	(4,311)	(69,290)	-	-	(74,611)
Reclassification	-	8,568	-	-	-	-	8,568
Effect of foreign currency exchange differences	-	(489)	(70)	(1,596)	(104)	-	(2,259)
Balance at June 30, 2023	<u>\$ -</u>	<u>\$ 240,442</u>	<u>\$ 170,549</u>	<u>\$ 563,857</u>	<u>\$ 17,757</u>	<u>\$ -</u>	<u>\$ 992,605</u>
Carrying amount at June 30, 2023	<u>\$ 321,626</u>	<u>\$ 815,042</u>	<u>\$ 151,114</u>	<u>\$ 379,104</u>	<u>\$ 13,888</u>	<u>\$ 204,614</u>	<u>\$1,885,388</u>
							(Concluded)

	Freehold Land	Buildings	Machinery Equipment	Test Equipment	Office Equipment	Property Under Construction	Total
<u>Cost</u>							
Balance at January1, 2024	\$ 321,626	\$1,061,749	\$ 339,057	\$1,039,551	\$ 32,644	\$ 204,423	\$2,999,050
Additions	-	4,546	41,490	162,488	1,204	-	209,728
Disposals	-	-	(2,729)	(65,809)	(794)	-	(69,332)
Reclassification	16,840	172,222	-	-	-	(200,918)	(11,856)
Effect of foreign currency exchange differences	-	3,830	109	1,778	166	906	6,789
Balance at June 30, 2024	<u>\$ 338,466</u>	<u>\$1,242,347</u>	<u>\$ 377,927</u>	<u>\$1,138,008</u>	<u>\$ 33,220</u>	<u>\$ 4,411</u>	<u>\$3,134,379</u>
<u>Accumulated depreciation</u>							
Balance at January1, 2024	\$ -	\$ 258,586	\$ 193,284	\$ 659,208	\$ 20,038	\$ -	\$1,131,116
Additions	-	18,959	26,599	117,875	2,275	-	165,708
Disposals	-	-	(2,726)	(65,809)	(794)	-	(69,329)
Reclassification	-	690	-	-	-	-	690
Effect of foreign currency exchange differences	-	580	75	1,660	109	-	2,424
Balance at June 30, 2024	<u>\$ -</u>	<u>\$ 278,815</u>	<u>\$ 217,232</u>	<u>\$ 712,934</u>	<u>\$ 21,628</u>	<u>\$ -</u>	<u>\$1,230,609</u>
Carrying amount at June 30, 2024	<u>\$ 338,466</u>	<u>\$ 963,532</u>	<u>\$ 160,695</u>	<u>\$ 425,074</u>	<u>\$ 11,592</u>	<u>\$ 4,411</u>	<u>\$1,903,770</u>

The Group's property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	40~51 years
Renovation construction / Lease improvement	3~15 years
Machinery equipment	3~6 years
Test equipment	1~6 years
Office equipment	3~6 years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Carrying amount</u>			
Buildings	\$ 134,611	\$ 86,355	\$ 101,075
Land	50,793	52,160	53,526
Office equipment	6,171	7,993	8,175
Machinery equipment	7,278	241	289
	<u>\$ 198,853</u>	<u>\$ 146,749</u>	<u>\$ 163,065</u>
	For the three-month periods ended June 30	For the six-month periods ended June 30	
	2024	2023	2024
			2023
Additions to right-of-use assets			\$ 81,568
Depreciation charge for right-of-use assets			\$ 59,857
Buildings	\$ 14,287	\$ 10,486	\$ 25,686
Land	683	684	1,366
Office equipment	1,114	1,627	2,402
Machinery equipment	403	24	554
	<u>\$ 16,487</u>	<u>\$ 12,821</u>	<u>\$ 30,008</u>
			<u>\$ 25,404</u>

Except for the addition and recognition of depreciation expenses listed above, there was no significant sublease or impairment of the Group's right-of-use assets for the six-month periods ended June 30, 2024 and 2023.

b. Lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Carrying amount</u>			
Current	\$ 57,263	\$ 46,884	\$ 47,157
Non-current	\$ 128,571	\$ 104,905	\$ 120,132

Range of discount rates for lease liabilities was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Buildings	1.345%~4.750%	1.250%~4.750%	1.250%~4.750%
Land	1.250%	1.250%	1.250%
Office equipment	1.345%~2.305%	1.250%~2.225%	1.345%~2.120%
Machinery equipment	1.250%	1.250%	1.250%

c. Material lease activities and terms

The Group leases various assets including land, buildings, office equipment and machinery equipment with lease terms between 2~20 years. The leased land is used for constructing a factory building with lease contracts adjusted payment every 2 years on the announced land value. The leased building includes factory and offices, and the leased office equipment includes rental cars. The Group does not have bargain purchase or renewal options to acquire or renew the leases when they expire.

d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 16.

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Expenses relating to short-term leases	\$ 1,326	\$ 1,330	\$ 2,302	\$ 2,238
Expenses relating to low-value asset leases	\$ 44	\$ 44	\$ 93	\$ 88
Total cash outflow for leases			\$ 31,845	\$ 28,706

The Group's leases of certain parking spaces qualify as short-term leases and leases of machinery qualify as low-value asset 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.

16. INVESTMENT PROPERTIES

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2023	\$ 245,266	\$ 541,530	\$ 786,796
Reclassification	(22,903)	(69,072)	(91,975)
Balance at June 30, 2023	\$ 222,363	\$ 472,458	\$ 694,821
<u>Accumulated depreciation</u>			
Balance at January 1, 2023	\$ -	\$ 56,290	\$ 56,290
Additions	-	4,811	4,811
Reclassification	-	(8,568)	(8,568)
Balance at June 30, 2023	\$ -	\$ 52,533	\$ 52,533
Carrying amount at June 30, 2023	\$ 222,363	\$ 419,925	\$ 642,288
<u>Cost</u>			
Balance at January 1, 2024	\$ 222,363	\$ 472,458	\$ 694,821
Additions	-	3,487	3,487
Reclassification	(16,840)	18,061	1,221
Effect of foreign currency exchange differences	-	2,955	2,955
Balance at June 30, 2024	\$ 205,523	\$ 496,961	\$ 702,484

(Continued)

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2024	\$ -	\$ 57,232	\$ 57,232
Additions	-	5,200	5,200
Reclassification	-	(690)	(690)
Effect of foreign currency exchange differences	-	4	4
Balance at June 30, 2024	<u>\$ -</u>	<u>\$ 61,746</u>	<u>\$ 61,746</u>
Carrying amount at June 30, 2024	<u>\$ 205,523</u>	<u>\$ 435,215</u>	<u>\$ 640,738</u>
			(Concluded)

Except for the situation that Sync-Tech System Corp. has not yet leased out its investment properties, the above-mentioned investment properties were leased out for 1 to 5 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The future minimum lease payments of operating lease commitments were as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Within 1 year	\$ 20,345	\$ 18,877	\$ 12,756
Years 1~5	18,575	25,767	20,229
	<u>\$ 38,920</u>	<u>\$ 44,644</u>	<u>\$ 32,985</u>

Investment properties are depreciated using the straight-line method over their estimated useful lives of 40 to 51 years.

The determination of fair values of the Group's investment properties was performed by independent qualified professional vaulters of the China Real Estate Appraising Firm using Level 3 inputs. The evaluation is based on the weighted average of the income method and the market comparison method. The significant unobservable input used include the discount rate. Management of the Group had assessed and determined that, compared with December 31, 2023, there were no significant change in fair value of June 30, 2024.

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Fair value	<u>\$ 798,730</u>	<u>\$ 788,574</u>	<u>\$ 904,343</u>

All of the Group's investment properties were held under freehold interests.

17. INTANGIBLE ASSETS

	<u>Royalty</u>	<u>Computer Software</u>	<u>Specialized Technology</u>	<u>Total</u>
<u>Cost</u>				
Balance at January 1, 2023	\$ 140,911	\$ 201,792	\$ 500	\$ 343,203
Additions	5,385	39,751	-	45,136
Disposals	(1,651)	(8,424)	-	(10,075)
Effect of foreign currency exchange differences	-	(159)	-	(159)
Balance at June 30, 2023	<u>\$ 144,645</u>	<u>\$ 232,960</u>	<u>\$ 500</u>	<u>\$ 378,105</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2023	\$ 132,356	\$ 133,928	\$ 21	\$ 266,305
Additions	4,224	26,151	125	30,500
Disposals	(1,651)	(8,424)	-	(10,075)
Effect of foreign currency exchange differences	-	(75)	-	(75)
Balance at June 30, 2023	<u>\$ 134,929</u>	<u>\$ 151,580</u>	<u>\$ 146</u>	<u>\$ 286,655</u>
Carrying amount at June 30, 2023	<u>\$ 9,716</u>	<u>\$ 81,380</u>	<u>\$ 354</u>	<u>\$ 91,450</u>
<u>Cost</u>				
Balance at January 1, 2024	\$ 161,705	\$ 321,978	\$ 40,161	\$ 523,844
Additions	7,000	25,855	-	32,855
Disposals	(2,428)	(5,744)	-	(8,172)
Effect of foreign currency exchange differences	-	149	-	149
Balance at June 30, 2024	<u>\$ 166,277</u>	<u>\$ 342,238</u>	<u>\$ 40,161</u>	<u>\$ 548,676</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2024	\$ 134,924	\$ 186,284	\$ 6,923	\$ 328,131
Additions	8,115	38,536	2,552	49,203
Disposals	(2,428)	(5,744)	-	(8,172)
Effect of foreign currency exchange differences	-	87	-	87
Balance at June 30, 2024	<u>\$ 140,611</u>	<u>\$ 219,163</u>	<u>\$ 9,475</u>	<u>\$ 369,249</u>
Carrying amount at June 30, 2024	<u>\$ 25,666</u>	<u>\$ 123,075</u>	<u>\$ 30,686</u>	<u>\$ 179,427</u>

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

Royalty	2~10 years
Computer software	2~10 years
Specialized technology	2~10 years

18. OTHER ASSETS

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Other current assets</u>			
Provisional payments	\$ 20,836	\$ 5,142	\$ 6,709
Others	13,859	7,773	5,718
	<u>\$ 34,695</u>	<u>\$ 12,915</u>	<u>\$ 12,427</u>
<u>Prepayments</u>			
Input tax and offset against business tax	\$ 115,154	\$ 102,881	\$ 88,937
Prepaid probe cards	47,381	52,795	23,041
Prepayments	33,206	23,559	26,682
Prepayment for purchase	25,865	5,154	8,936
Others	6,923	7,264	6,027
	<u>\$ 228,529</u>	<u>\$ 191,653</u>	<u>\$ 153,623</u>
<u>Other non-current assets</u>			
Prepayments for buildings	\$ 182,830	\$ 121,870	\$ -
Refundable deposits	100,366	521,497	592,988
Prepayments for equipment	32,040	35,864	37,520
Long-term prepayment for purchase	-	-	111,271
	<u>\$ 315,236</u>	<u>\$ 679,231</u>	<u>\$ 741,779</u>

Please refer to Note 35 for details of the contract terms related to the prepayments for buildings, the capacity guarantee agreements and the Group has signed purchase agreements with fabs.

19. SHORT-TERM BORROWINGS

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Unsecured borrowings</u>			
Bank loans	<u>\$ 30,980</u>	<u>\$ -</u>	<u>\$ -</u>

The range of weighted average effective interest rates on bank loans was 3.45% as of June 30, 2024.

20. OTHER LIABILITIES

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Other payables			
Payables for salaries and bonuses	\$ 1,049,236	\$ 1,031,478	\$ 1,173,621
Payables for equipment	65,194	38,782	28,687
			(Continued)

	June 30, 2024	December 31, 2023	June 30, 2023
Payables for research	\$ 40,559	\$ 45,691	\$ 33,717
Others	363,201	357,765	281,880
	<u>\$ 1,518,190</u>	<u>\$ 1,473,716</u>	<u>\$ 1,517,905</u>
Other current liabilities			
Contract liabilities	\$ 37,640	\$ 97,482	\$ 85,236
Guarantee deposits received-current	-	30,705	-
Temporary receipts	16,318	7,804	15,186
Others	13,617	12,605	11,632
	<u>\$ 67,575</u>	<u>\$ 148,616</u>	<u>\$ 112,054</u>

(Concluded)

21. RETIREMENT BENEFIT PLANS

Defined benefit plan expenses for the three-month and six months periods ended June 30, 2024 and 2023, were calculated based on actuarial assumptions and pension cost rates as at December 31, 2023 and 2022; the above amounts were calculated at \$76 thousand, \$98 thousand, \$151 thousand and \$196 thousand, respectively.

22. EQUITY

a. Share capital

	June 30, 2024	December 31, 2023	June 30, 2023
Number of shares authorized (in thousands)	200,000	200,000	200,000
Share capital	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Number of shares issued and fully paid (in thousands)	120,137	120,137	120,137
Shares issued	<u>\$ 1,201,369</u>	<u>\$ 1,201,369</u>	<u>\$ 1,201,369</u>

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

The authorized shares include 20,000 thousand shares reserved for the exercise of employee stock options.

b. Capital surplus

	June 30, 2024	December 31, 2023	June 30, 2023
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Issuance of ordinary shares	\$ 401,995	\$ 401,995	\$ 401,995

(Continued)

	June 30, 2024	December 31, 2023	June 30, 2023
Conversion of bonds	\$ 335,041	\$ 335,041	\$ 335,041
Treasury share transactions	17,604	14,255	8,114
Differences between the consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	120,849	120,849	-
<u>May be used to offset a deficit only (2)</u>			
Changes in percentage of ownership interests in subsidiaries	968,168	967,309	958,500
Changes in the net equity of share of associates	186	-	-
	<u>\$ 1,843,843</u>	<u>\$ 1,839,449</u>	<u>\$ 1,703,650</u>
			(Concluded)

- 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 or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).
- 2) Such capital surplus arises from the effect of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries and associates accounted for using the equity method.

c. Retained earnings and dividends policy

Under the dividends policy as set in the Company's Articles of Incorporation (the "Articles"), the board of directors is authorized to adopt a special resolution to distribute all or part of the dividends and bonuses in cash, and a report of such distribution should be submitted in the latest shareholders' meeting.

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be distributed in the following order:

- 1) Utilized for paying taxes.
- 2) Offsetting losses of previous years.
- 3) Setting aside as a legal reserve of 10% of the remaining profit (legal reserve that has reached the company's paid-in capital is not subject to this condition).
- 4) Setting aside or reversing a special reserve in accordance with the laws and regulations.
- 5) 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.

For the policies on the distribution of employees' compensation and remuneration of directors, refer to employees' compensation and remuneration of directors in Note 24(h).

The distribution of dividends to shareholders of the Company can be made in cash or shares, but the proportion of cash dividends distributed should not be less than 10% of the total dividends

distributed. The dividends policy is dependent on the Company's current and future investment environment, capital needs, domestic and international competition and capital budget, etc., taking into account the interests of shareholders, balance of dividends and long-term financial planning of the Company, the board of directors plans to distribute the case to the shareholders' meeting.

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

The appropriations of earnings for 2023 and 2022 were as follows:

	For the Year Ended December 31	
	2023	2022
Legal reserve	\$ 186,117	\$ 363,285
(Reversals) Appropriations special reserve	(\$ 211,838)	\$ 182,761
Cash dividends	\$ 1,441,642	\$ 2,643,011
Cash dividends per share (NT\$)	\$ 12	\$ 22

The above appropriations for cash dividends were resolved by the Company's board of directors on March 7, 2024 and March 16, 2023, respectively; the other proposed appropriations were resolved by the shareholders in their meeting on June 20, 2024 and June 21, 2023, respectively.

d. Special reserve

	For the six-month periods ended June 30	
	2024	2023
Balance at January 1	\$ 288,225	\$ 105,464
Appropriations (Reversals) in respect of		
Debits to other equity items	(211,838)	182,761
Balance at June 30	\$ 76,387	\$ 288,225

e. Other equity items

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

	For the six -month periods ended June 30	
	2024	2023
Balance at January 1	(\$ 2,758)	\$ 9,186
Exchange differences on translating the net assets of		
foreign operations	29,596	(14,607)
Balance at June 30	\$ 26,838	(\$ 5,421)

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

	For the six -month periods ended June 30	
	2024	2023
Balance at January 1	(\$ 73,630)	(\$ 290,948)
Recognized for the period		
Unrealized (loss) gain - debt instruments	4,837	4,403
Unrealized (loss) gain - equity instruments	210,461	167,852
Cumulative unrealized (gain) loss of equity instruments transferred to retained earnings due to disposal	(1,817)	-
Balance at June 30	<u>\$ 139,851</u>	<u>(\$ 118,693)</u>

f. Non-controlling interests

	For the six -month periods ended June 30	
	2024	2023
Balance at January 1	\$ 3,599,824	\$ 3,342,919
Share attributable to non-controlling interests:		
Share in profit for the period	335,415	207,014
Exchange difference on translating the financial statements of foreign operations	1,361	(1,394)
Financial assets at FVTOCI	18,003	7,403
Adjustment of capital surplus due to dividends distributed to subsidiaries	3,923	-
Cash dividends distributed by subsidiaries	(500,525)	(572,287)
The net assets of the subsidiary transferred in non-controlling interests (Note 29)	701	53,583
Balance at June 30	<u>\$ 3,458,702</u>	<u>\$ 3,037,238</u>

Please refer to Note 29 for more details on non-controlling interests transactions.

g. Treasury shares

<u>The Company's shares held by its subsidiary</u>	<u>Number of Shares</u>
Number of shares at January 1 and June 30, 2024	<u>606,000</u>
Number of shares at January 1 and June 30, 2023	<u>606,000</u>

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

<u>Name of Subsidiary</u>	<u>Number of Shares Held</u>	<u>Carrying Amount</u>	<u>Market Price</u>
<u>June 30, 2024</u>			
Sensortek Technology Corp.	606,000	\$ 156,651	\$ 156,651
<u>December 31, 2023</u>			
Sensortek Technology Corp.	606,000	\$ 168,468	\$ 168,468
<u>June 30, 2023</u>			
Sensortek Technology Corp.	606,000	\$ 142,107	\$ 142,107

The Company's shares held by its subsidiary are treated as treasury shares.

23. REVENUE

a. Disaggregation of revenue

<u>Product</u>	<u>For the three-month periods ended June 30</u>		<u>For the six-month periods ended June 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Integrated circuits	\$4,202,857	\$4,295,532	\$8,151,315	\$ 7,795,907
Others	174,217	114,031	374,988	214,272
	<u>\$4,377,074</u>	<u>\$4,409,563</u>	<u>\$8,526,303</u>	<u>\$8,010,179</u>

<u>Primary geographical markets</u>	<u>For the three-month periods ended June 30</u>		<u>For the six-month periods ended June 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Hong Kong	\$3,338,736	\$3,657,069	\$ 6,432,072	\$ 6,571,284
Vietnam	248,546	212,644	663,605	442,564
Taiwan	271,090	222,496	506,334	387,728
South Korea	249,671	132,203	389,590	187,377
China	151,973	78,081	264,370	178,811
Others	117,058	107,070	270,332	242,415
	<u>\$4,377,074</u>	<u>\$4,409,563</u>	<u>\$ 8,526,303</u>	<u>\$ 8,010,179</u>

The basis of calculation of the Group's revenue segregated by geographical location is mainly based on the location the goods were shipped as designated by the customers.

b. Contract balances

	June 30, 2024	December 31, 2023	June 30, 2023	January 1, 2023
Trade receivable and notes receivable (Note 10)	\$ 1,706,001	\$ 1,592,929	\$ 1,515,711	\$ 1,226,520
Trade receivable from related parties (Note 33)	55	1,782	-	1,469
	<u>\$ 1,706,056</u>	<u>\$ 1,594,711</u>	<u>\$ 1,515,711</u>	<u>\$ 1,227,989</u>
Contract liabilities - current (Note 20)				
Sales of goods	<u>\$ 37,640</u>	<u>\$ 97,482</u>	<u>\$ 85,236</u>	<u>\$ 135,268</u>

Revenue recognized in the current period that was included in the contract liability balance at the beginning of the year is as follows:

For the six -month periods ended June 30	
2024	2023

From contract liabilities at the start of the year

Sales of goods	<u>\$ 93,439</u>	<u>\$ 113,900</u>
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Changes in contract liabilities are mainly due to the timing difference between the satisfaction of performance obligations and customer payment.

24. NET PROFIT

a. Other operating income and expense

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Gain on sublease of right-of-use assets	\$ 307	\$ 288	\$ 597	\$ 575
Gain (loss) on disposal and scrapping of property, plant and equipment	45	-	45	(18)
	<u>\$ 352</u>	<u>\$ 288</u>	<u>\$ 642</u>	<u>\$ 557</u>

b. Interest income

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Financial assets at amortized cost	\$ 39,195	\$ 37,815	\$ 76,034	\$ 65,566

(Continued)

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Financial asset at FVTPL	\$ 2,415	\$ 3,526	\$ 5,775	\$ 6,134
Investments in debt instruments at FVTOCI	5,316	3,441	10,345	7,007
Others	32	21	123	80
	<u>\$ 46,958</u>	<u>\$ 44,803</u>	<u>\$ 92,277</u>	<u>\$ 78,787</u>
				(Concluded)

c. Other income

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Rental income	\$ 7,141	\$ 6,713	\$ 14,309	\$ 13,501
Dividend income	8,398	9,146	15,345	14,025
Government grants income	492	1,416	5,211	2,509
Others	8,225	10,060	15,515	10,423
	<u>\$ 24,256</u>	<u>\$ 27,335</u>	<u>\$ 50,380</u>	<u>\$ 40,458</u>

d. Other gains and losses

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Net foreign exchange gains	\$ 15,585	\$ 25,061	\$ 43,846	\$ 22,809
Gain on financial assets designated as at FVTPL	20,188	5,235	36,378	30,502
Gain on disposal of financial instruments	1,473	-	1,473	-
Depreciation of investment property	(2,579)	(2,349)	(5,200)	(4,811)
Other losses	(3)	-	(82)	-
	<u>\$ 34,664</u>	<u>\$ 27,947</u>	<u>\$ 76,415</u>	<u>\$ 48,500</u>

e. Finance costs

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Interest on loans	\$ 1,494	\$ 13	\$ 2,971	\$ 36
Interest on lease liabilities	945	782	1,672	1,560
Other interest expenses	419	36	806	78
	<u>\$ 2,858</u>	<u>\$ 831</u>	<u>\$ 5,449</u>	<u>\$ 1,674</u>

f. Depreciation and amortization

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Property, plant and equipment	\$ 84,689	\$ 77,550	\$ 165,708	\$ 155,467
Investment properties	2,579	2,349	5,200	4,811
Right-of-use assets	16,487	12,821	30,008	25,404
Intangible assets	25,499	16,181	49,203	30,500
	<u>\$ 129,254</u>	<u>\$ 108,901</u>	<u>\$ 250,119</u>	<u>\$ 216,182</u>
An analysis of depreciation by function				
Operating expenses	\$ 81,190	\$ 74,250	\$ 156,063	\$ 149,084
Operating costs	19,986	16,121	39,653	31,787
Depreciation of investment property	2,579	2,349	5,200	4,811
	<u>\$ 103,755</u>	<u>\$ 92,720</u>	<u>\$ 200,916</u>	<u>\$ 185,682</u>
An analysis of amortization by function				
Operating expenses	\$ 25,436	\$ 16,151	\$ 49,132	\$ 30,406
Operating costs	63	30	71	94
	<u>\$ 25,499</u>	<u>\$ 16,181</u>	<u>\$ 49,203</u>	<u>\$ 30,500</u>

g. Employee benefits expense

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Short-term benefits	\$ 674,645	\$ 629,298	\$ 1,321,690	\$ 1,146,009
Post-employment benefits				
Defined contribution plans	16,930	15,342	33,573	30,471
Defined benefit plans (Note 21)	76	98	151	199
Share-based payments	-	7,580	-	7,580
	<u>\$ 691,651</u>	<u>\$ 652,318</u>	<u>\$ 1,355,414</u>	<u>\$ 1,184,259</u>
An analysis of employee benefits expense by function				
Operating expenses	\$ 613,966	\$ 585,867	\$ 1,202,469	\$ 1,062,253
Operating costs	77,685	66,451	152,945	122,006
	<u>\$ 691,651</u>	<u>\$ 652,318</u>	<u>\$ 1,355,414</u>	<u>\$ 1,184,259</u>

h. Employees' compensation and remuneration of directors

According to the articles of incorporation of the Company, the Company accrued employees' compensation and remuneration of directors at rates of no less than 1% and no higher than 25%, and rates of no higher than 3%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and the remuneration of directors for the three-month and six-month periods ended June 30, 2024 and 2023, respectively, are as follows:

Amount

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Employees' compensation	\$ 47,722	\$ 52,734	\$ 86,330	\$ 79,456
Remuneration of directors	\$ 7,158	\$ 7,910	\$ 12,949	\$ 11,918

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 employees' compensation and the remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on March 7, 2024 and March 16, 2023, respectively, are as follows:

Amount

	For the Year Ended December 31			
	2023		2022	
	Cash	Shares	Cash	Shares
Employees' compensation	\$ 165,555	\$ -	\$ 317,180	\$ -
Remuneration of directors	24,833	-	58,816	-

There is no difference between the actual amount of employees' compensation and remuneration of directors resolved by the Board of Directors and the amount recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

Information on the employees' compensation and remuneration of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

i. Gains or losses on foreign currency exchange

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Foreign exchange gains	\$ 73,103	\$ 89,502	\$ 162,333	\$ 130,162
Foreign exchange losses	(57,518)	(64,441)	(118,487)	(107,353)
Net benefit	\$ 15,585	\$ 25,061	\$ 43,846	\$ 22,809

25. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Current tax				
In respect of the current period	\$ 94,877	\$ 121,426	\$ 217,574	\$ 195,997
Income tax on unappropriated earnings	-	883	-	883
Adjustments for prior years	(951)	(5,340)	(5,468)	(5,340)
	93,926	116,969	212,106	191,540
Deferred tax				
In respect of the current period	3,147	612	(3,275)	4,120
Income tax expense recognized in profit or loss	\$ 97,073	\$ 117,581	\$ 208,831	\$ 195,660

b. Income tax assessments

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

26. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Basic earnings per share	\$ 4.43	\$ 4.93	\$ 8.05	\$ 7.41
Diluted earnings per share	\$ 4.42	\$ 4.92	\$ 8.01	\$ 7.35

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

Net income

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Net income for the period	\$ 531,189	\$ 591,274	\$ 964,687	\$ 888,190
Earnings used in the computation of basic earnings per share	531,189	591,274	964,687	888,190
Effect of potentially dilutive ordinary shares:				
Employees' compensation	-	-	-	-
Earnings used in the computation of diluted earnings per share	\$ 531,189	\$ 591,274	\$ 964,687	\$ 888,190

Shares

Unit: in thousands of shares

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	119,858	119,858	119,858	119,858
Effect of potentially dilutive ordinary shares: Employees' compensation	334	339	536	915
Weighted average number of ordinary shares used in the computation of dilutive earnings per share	120,192	120,197	120,394	120,773

Since the Company offered to settle compensation or bonuses paid to employees in cash or shares, the Company assumed the entire amount of the compensation or bonus will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee share option plan of Forcelead Technology Corp.

On April 11, 2023, the board of directors of Forcelead Technology Corp. approved the issuance of 1,000 thousand units of employee share option certificates. Each unit of share option certificate can be exchanged for 1 ordinary share. The share option certificates can be issued all at once or split into several issues after the approval date of the board of directors, the actual issuance date is to be fixed by the Chairman. Eligible employees are limited to full-time employees and those under certain requirements within Forcelead Technology Corp. and the employees of controlling or controlled entity who meet certain terms. The holder of the share option certificates can exercise the options at any time after the date of issuance.

The information on employee share option is summarized as follows:

For the Year Ended December 31, 2023	2023 Year Share Option Plan	
	Number of Shares (In Thousands)	Weighted-average Exercise Price(NT\$)
Balance at January 1	-	\$ -
Options granted	1,000	58.00
Options exercised	(1,000)	58.00
Options forfeited	-	-
Balance at December 31	-	-

Per the employee share option plan of 2023, Forcelead Technology Corp. distributed 1,000 thousand units of employee share option certificates to its employees on April 11, 2023. The Black-Scholes Pricing Model was used to calculate the fair values of the employee share options, and the input values used are summarized as follows:

	April 2023
Grant date share price (NT\$)	\$ 65.57
Exercise price (NT\$)	\$ 58.00
Expected volatility rate	33.99%
Option life	0.012 years
Dividend yield	-
Risk-free interest rate	1.02%
Share options fair value (NT\$)	\$ 7.58

Compensation costs of the Group's employee share option plans were \$7,580 thousand in the second quarter of 2023.

b. Employee share option plan of Seer Microelectronics, Inc.

The employee share option certificates issued by Seer Microelectronics, Inc. are granted to employees of the Company who meet certain conditions, and the certificate holders can exercise the share options in a certain period and proportion two years after the expiration date of the certificates, and the duration of the share options is six years, after which the unexercised share options shall be deemed to be waived, and the share rights holders shall not claim their share options again.

The information on employee share option is summarized as follows:

	2020-Year Share Option Plan	
	Number of Shares (In Thousands)	Weighted-average Exercise Price (NT\$)
For the Year Ended December 31, 2023		
Balance at January 1	76	\$ 8.50
Options granted	-	-
Options exercised	-	-
Canceled of share options	(76)	8.50
Balance at December 31	-	-

Per the employee share option plan of 2020, Seer Microelectronics, Inc. distributed 176 thousand units of employee share option certificates to its employees on August 31, 2020. The Black-Scholes Pricing Model was used to calculate the fair values of the employee share options, and the input values used are summarized as follows:

	August 2020
Grant date share price (NT\$)	\$ 14.96
Exercise price (NT\$)	\$ 8.50
Expected volatility rate	46.53%
Option life	6years
Dividend yield	-
Risk-free interest rate	0.42%
Share options fair value (NT\$)	\$ 7.2874

Compensation costs of the Group's employee share option plans were \$91 thousand in the fourth quarter of 2023.

Due to operational consideration, Seer Microelectronics, Inc. abolished the issuance of employee share warrants and share subscription measures on June 14, 2023.

28. BUSINESS COMBINATIONS

a. Subsidiaries acquired

	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Seer Microelectronics, Inc.	High performance sensor IC with single photon design and applications	July 5, 2023	56.54	<u>\$ 40,000</u>

Seer Microelectronics, Inc. were acquired on July 5, 2023 in order to continue the expansion of the Group's activities in scale and product mix.

b. Consideration transferred

	Seer Microelectronics, Inc.
Cash	<u>\$ 40,000</u>

c. Assets acquired and liabilities assumed at the date of acquisition

	Seer Microelectronics, Inc.
Current assets	
Cash and cash equivalents	\$ 41,157
Trade receivables and other receivables	2,093
Inventories	17,550
Other current assets	1,643
Non-current assets	
Plant and Equipment	260
Right-of-use assets	489
Intangible assets	41,601
Other non-current assets	224
Current liabilities	
Short-term borrowings	(20,000)
Trade payables and other payables	(10,768)
Lease liabilities	(284)
Bonds payable	(9,000)
Other current liabilities	(164)
Non-current liabilities	
Lease liabilities	(231)
Deferred tax liabilities	(5,332)
Other non-current liabilities	(1,000)
	<u>\$ 58,238</u>

d. Non-controlling interests

The non-controlling interest (43.46% ownership interest in Seer Microelectronics, Inc.) was measured by proportionate share of Seer Microelectronics, Inc.'s identifiable net assets at the date of acquisition.

e. Goodwill generated from the acquisition

	Seer Microelectronics, Inc.
Consideration transferred	\$ 40,000
Plus: Non-controlling interests (43.46% ownership interest in Seer Microelectronics, Inc.)	25,312
Less: Fair value of identifiable net assets acquired	(58,238)
Goodwill generated from the acquisition	<u>\$ 7,074</u>

The goodwill generated from the acquisitions of Seer Microelectronics, Inc. mainly comes from the control premium.

The goodwill generated from the acquisition is not expected to be tax-deductible.

f. Net cash inflow on the acquisition of subsidiaries

	Seer Microelectronics, Inc.
Consideration paid in cash	\$ 40,000
Less: Cash and cash equivalent balances acquired	(41,157)
	<u>(\$ 1,157)</u>

g. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition dates, which are included in the consolidated statements of comprehensive income, were as follows:

	Seer Microelectronics, Inc. (2023.07.05~12.31)
Revenue	\$ 482
Profit(loss)	(17,616)

If the acquisition of Seer Microelectronics, Inc. in July 2023 took place on January 1, 2023, the proposed operating revenue and net profit (loss) of the Seer Microelectronics, Inc. for the year ended December 31, 2023 were \$3,341 thousand, and (\$27,949) thousand, respectively.

29. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On August 6, 2023, the Group did not participate in the cash capital increase of Seer Microelectronics, Inc. in proportion to its existing ownership, the Group's shareholding percentage increased from 56.54% to 72.66%.

On December 14, 2023, due to the Group sold part of the Forcelead Technology Corp.'s shares, the Group's shareholding percentage decreased from 64.00% to 61.01%.

Due to the distribution of employees' compensation in the form of shares by Forcelead Technology Corp.'s on July 20, 2023, the Group's shareholding percentage decreased from 68.76% to 64.00%.

On April 20, 2023, due to the Forcelead Technology Corp.'s employees execute options to issue new shares, the Group's shareholding percentage decreased from 70.76% to 68.76%.

Due to the distribution of employees' compensation in the form of shares by Sync-Tech system Corp. on July 16, 2023, the Group's shareholding percentage decreased from 42.86% to 42.19%.

The above transactions were accounted for as equity transactions, since the Company did not cease to have control over these subsidiaries.

For the six-month period ended June 30, 2024

	Sync-Tech System Corp.	Forcelead Technology Corp.
Cash consideration received	\$ 493	\$ 1,067
The proportionate share of the carrying amount of the net assets of the subsidiary transferred in non-controlling interests	(285)	(416)
Differences recognized from equity transactions	<u>\$ 208</u>	<u>\$ 651</u>

Line items adjusted for equity transactions

Capital surplus - changes in percentage of ownership interests in subsidiaries	<u>\$ 208</u>	<u>\$ 651</u>
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For the six-month period ended June 30, 2023

	Sync-Tech System Corp.	Forcelead Technology Corp.
Cash consideration received	\$ 821	\$ 58,092
Non-cash transaction	-	7,580
The proportionate share of the carrying amount of the net assets of the subsidiary transferred in non-controlling interests	(469)	(53,114)
Differences recognized from equity transactions	<u>\$ 352</u>	<u>\$ 12,558</u>

Line items adjusted for equity transactions

Capital surplus - changes in percentage of ownership interests in subsidiaries	<u>\$ 352</u>	<u>\$ 12,558</u>
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30. CASH FLOW INFORMATION

a. Changes in liabilities arising from financing activities

For the six-month period ended June 30, 2024

	January 1, 2024	Cash Flows	Non-cash Changes		June 30, 2024
			Foreign Exchange Movement	New Leases	
Short-term borrowings	\$ -	\$ 31,115	(\$ 135)	\$ -	\$ 30,980
Lease liabilities	151,789	(27,778)	636	61,187	185,834
Guarantee deposits received	287,988	(63,929)	8,860	-	232,919
	<u>\$ 439,777</u>	<u>(\$ 60,592)</u>	<u>\$ 9,361</u>	<u>\$ 61,187</u>	<u>\$ 449,733</u>

For the six-month period ended June 30, 2023

	January 1, 2023	Cash Flows	Non-cash Changes		June 30, 2023
			Foreign Exchange Movement	New Leases	
Short-term borrowings	\$ 18,119	(\$ 18,045)	(\$ 74)	\$ -	\$ -
Lease liabilities	132,914	(24,820)	(662)	59,857	167,289
Guarantee deposits received	352,371	(59,242)	(1,582)	-	291,547
	<u>\$ 503,404</u>	<u>(\$ 102,107)</u>	<u>(\$ 2,318)</u>	<u>\$ 59,857</u>	<u>\$ 458,836</u>

31. CAPITAL RISK MANAGEMENT

The objectives, policies and process of capital risk management and the capital structures of the Group in these consolidated financial statements were applied as the same as in the preparation of the consolidated financial statements for the year ended December 31, 2023. Please refer to Note 31 to the consolidated financial statements for the year ended December 31, 2023 for details.

32. FINANCIAL INSTRUMENTS

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

The management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements are relatively close to their fair values.

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

1) Fair value hierarchy

June 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Domestic corporate funds	\$ 272,847	\$ -	\$ -	\$ 272,847
Convertible bonds	124,675	-	-	124,675
Exchangeable bonds	42,020	-	-	42,020
Domestic listed shares	3,249	-	-	3,249
Limited partnership	-	-	142,669	142,669
Derivative instruments				
Credit linked notes - linked with convertible bonds	-	310,575	-	310,575
Equity linked notes	-	31,804	-	31,804
Foreign exchange forward contracts and foreign exchange swap contracts	-	45,796	-	45,796
	<u>\$ 442,791</u>	<u>\$ 388,175</u>	<u>\$ 142,669</u>	<u>\$ 973,635</u>

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI

Domestic listed shares	\$ 596,876	\$ -	\$ -	\$ 596,876
Domestic unlisted equity investments	-	-	544,520	544,520
Foreign unlisted equity investments	-	-	704,078	704,078

Investments in debt instruments at FVTOCI

Domestic corporate bonds	-	49,395	-	49,395
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(Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Foreign corporate bonds	\$ -	\$ 470,824	\$ -	\$ 470,824
	<u>\$ 596,876</u>	<u>\$ 520,219</u>	<u>\$1,248,598</u>	<u>\$2,365,693</u>
<u>Financial liabilities at FVTPL</u>				
Derivative instruments				
Foreign exchange forward contracts and foreign exchange swap contracts	\$ -	\$ 37,012	\$ -	\$ 37,012
				(Concluded)
<u>December 31, 2023</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic corporate funds	\$ 241,345	\$ -	\$ -	\$ 241,345
Convertible bonds	113,786	-	-	113,786
Exchangeable bonds	41,520	-	-	41,520
Domestic listed shares	2,655	-	-	2,655
Limited partnership	-	-	82,174	82,174
Derivative instruments				
Credit linked notes - linked with convertible bonds	-	391,211	-	391,211
Foreign exchange forward contracts and foreign exchange swap contracts	-	37,811	-	37,811
Equity-linked notes	-	15,466	-	15,466
	<u>\$ 399,306</u>	<u>\$ 444,488</u>	<u>\$ 82,174</u>	<u>\$ 925,968</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 561,273	\$ -	\$ -	\$ 561,273
Domestic unlisted equity investments	-	-	218,352	218,352
Foreign unlisted equity investments	-	-	572,725	572,725
Investments in debt instruments at FVTOCI				
Domestic corporate bonds	-	49,738	-	49,738
Foreign corporate bonds	-	468,860	-	468,860
	<u>\$ 561,273</u>	<u>\$ 518,598</u>	<u>\$ 791,077</u>	<u>\$1,870,948</u>
<u>Financial liabilities at FVTPL</u>				
Derivative instruments				
Foreign exchange forward contracts and foreign exchange swap contracts	\$ -	\$ 27,793	\$ -	\$ 27,793

June 30, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic corporate funds	\$ 203,518	\$ -	\$ -	\$ 203,518
Convertible bonds	91,794	-	-	91,794
Exchangeable bonds	41,800	-	-	41,800
Domestic listed shares	2,372	-	-	2,372
Limited partnership	-	-	59,163	59,163
Derivative instruments				
Credit linked notes - linked with convertible bonds	-	343,107	-	343,107
Equity linked notes	-	15,665	-	15,665
Foreign exchange forward contracts and foreign exchange swap contracts	-	45,311	-	45,311
	<u>\$ 339,484</u>	<u>\$ 404,083</u>	<u>\$ 59,163</u>	<u>\$ 802,730</u>

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 545,578	\$ -	\$ -	\$ 545,578
Domestic unlisted equity investments	-	-	221,653	221,653
Foreign unlisted equity investments	-	-	542,725	542,725
Investments in debt instruments at FVTOCI				
Domestic corporate bonds	-	49,786	-	49,786
Foreign corporate bonds	-	409,182	-	409,182
	<u>\$ 545,578</u>	<u>\$ 458,968</u>	<u>\$ 764,378</u>	<u>\$1,768,924</u>

Financial liabilities at FVTPL

Derivative instruments				
Foreign exchange forward contracts and foreign exchange swap contracts	<u>\$ -</u>	<u>\$ 39,531</u>	<u>\$ -</u>	<u>\$ 39,531</u>

For the six-month periods ended June 30, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

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

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Domestic and Foreign corporate bonds	Based on the public market quotes provided by third-party agencies.
Credit linked notes - linked with convertible bonds	Based on the public market quotation of convertible bond, the parameters of the repurchase, the coupon interest and the interest compensation are considered as the basis for fair value measurement.
Equity-linked notes	Base on the public market quotation of stock, the parameters of the repurchase and the interest compensation are considered as the basis for fair value measurement.

(Continued)

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts and foreign exchange swap contracts	Discounted cash flow method: Estimate the future cash flow at the end of the period by observing the forward exchange rate and the exchange rate and interest rate set by the contract, and have already discounted the discount rate of each counterparty's credit risk.
	(Concluded)

3) Valuation techniques and inputs applied for Level 3 fair value measurement

Domestic and foreign unlisted equity investments are evaluated by the net asset value method. The management of the Group evaluates the target of such equity investments with the active market quotation, and the net asset amount tends to the fair value of the equity investments.

The domestic limited partnership are valued using the net asset value method. The management of the Group evaluates that the amount of the net assets of this investment is equivalent to its fair value. The evaluation covers the total value of the investment's individual assets and liabilities, which reflects the value of the entity or business.

4) Adjustment of financial instruments measured using Level 3 fair values

The Group's financial assets under level 3 fair value measurement are financial instruments at FVTPL and equity instruments measured at fair value through other comprehensive income.

For the six-month period ended June 30, 2024

	Financial instruments at FVTPL	Financial instruments at FVTOCI	Total
Balance at January 1	\$ 82,174	\$ 791,077	\$ 873,251
Additions	57,750	280,000	337,750
Recognized under profit or loss	2,745	-	2,745
Recognized under other comprehensive income	-	177,521	177,521
Balance at June 30	<u>\$ 142,669</u>	<u>\$ 1,248,598</u>	<u>\$ 1,391,267</u>

For the six-month period ended June 30, 2023

	Financial instruments at FVTPL	Equity instruments at FVTOCI	Total
Balance at January 1	\$ 34,768	\$ 640,322	\$ 675,090
Additions	17,500	-	17,500
Recognized under profit or loss	6,895	-	6,895
Recognized under other comprehensive income	-	124,056	124,056
Balance at June 30	<u>\$ 59,163</u>	<u>\$ 764,378</u>	<u>\$ 823,541</u>

c. Categories of financial instrument

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 973,635	\$ 925,968	\$ 802,730
Financial assets at amortized cost (1)	10,589,021	10,909,899	12,018,163
Financial assets at FVTOCI			
Equity instruments	1,845,474	1,352,350	1,309,956
Debt instruments	520,219	518,598	458,968

Financial liabilities

Financial liabilities at FVTPL			
Held for trading	37,012	27,793	39,531
Financial liabilities at amortized cost(2)	2,525,700	2,713,322	2,743,462

- 1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, pledged fixed deposits, time deposits with original maturities of more than 3 months, notes receivable and trade receivables (including receivables from related parties), other receivables, other current assets and refundable deposits.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, notes and trade payables, other payables (including other payables to related parties), other current liabilities and guarantee deposits.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables and borrowings. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports 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 seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

There has been no change in the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Group's operating activities are partially denominated in foreign currencies and thus have partial natural hedging effects.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 37.

Sensitivity analysis

The Group was mainly exposed to the USD, JPY and CNY.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (i.e. the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive (negative) number below indicates an increase (decrease) in pre-tax profit and other equity associated with the New Taiwan dollar weakening (strengthening) 5% against the relevant currency.

	USD Impact		JPY Impact		CNY Impact	
	For the six-month periods ended June 30		For the six-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023	2024	2023
Profit or loss	\$ 15,986	\$ 31,379	\$ 788	\$ 189	\$ 13,207	\$ 10,779

b) Interest rate risk

The Group was exposed to interest rate risk because the Group borrowed funds at both fixed and floating interest rates.

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

	June 30, 2024	December 31, 2023	June 30, 2023
Fair value interest rate risk			
Financial assets	\$ 7,155,665	\$ 6,346,975	\$ 8,465,235
Financial liabilities	185,834	151,789	167,289
Cash flow interest rate risk			
Financial assets	1,960,398	2,830,895	1,792,178
Financial liabilities	31,010	-	-

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 net assets, the analysis was prepared assuming the amount of each net assets outstanding at the end of the reporting period was outstanding for the six-month periods ended June 30.

If interest rates had been 0.1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the six-month periods ended June 30, 2024 and 2023 would increase/decrease by \$965 thousand and \$896 thousand, respectively, which was mainly

attributable to the Group's exposure to interest rates on variable-rate net assets. The Group's pre-tax other comprehensive income for the six-month periods ended June 30, 2024 and 2023 would decrease/increase by \$260 thousand and \$229 thousand, respectively, which was mainly due to the changes in the fair value of investments in fixed-rate debt instruments at FVTOCI.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities, convertible bonds, exchangeable bonds, credit linked structured notes of listed companies and mutual fund investments. The Group does not actively trade these investments. The Group's equity price risk is mainly concentrated in equity instruments operating in the semiconductor industry, convertible bonds quoted on the Taiwan Stock Exchange and Taipei Exchange, exchangeable bonds, credit linked structured notes, finance and insurance industries structured notes, and exchange-traded funds quoted on the Taiwan Stock Exchange and the Taipei Exchange.

Sensitivity analysis

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

If equity prices had been 5% higher/lower, pre-tax income for the six-month periods ended June 30, 2024 and 2023 would have increased/decreased by \$39,259 thousand and \$34,913 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTPL. Pre-tax other comprehensive income for the six-month periods ended June 30, 2024 and 2023 would have increased/decreased by \$29,844 thousand and \$27,279 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, 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.

To mitigate credit risk, the management of the Group assigns a dedicated team responsible for credit line decisions, credit approvals and other monitoring procedures to ensure appropriate actions are taken for the collections of overdue receivables. In addition the Group reviews conditions on each collecting receivable to ensure the uncollectible amounts are provided with appropriate impairment losses. Accordingly, the management of the Group believes that the credit risk of the Group has been significantly reduced.

In addition, since the counterparties of liquidity and derivative financial instruments are banks with sound credit ratings, the credit risk is limited.

Apart from customers whose accounts receivable constitute more than 10% of the Group's total trade receivables, the Group did not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk is minimal because the customers which account for more than 10% of the Group's trade receivables balance are creditworthy companies.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash

flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of June 30, 2024, December 31 and June 30, 2023, the Group had available unutilized short-term bank loan facilities set out in (c) below.

a) Liquidity and interest rate risk tables 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 included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

June 30, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Non-derivative financial liabilities						
Non-interest bearing liabilities	\$ 1,052,273	\$ 1,106,376	\$ 1,152,358	\$ -	\$ -	\$ 3,311,007
Lease liabilities	5,391	10,460	44,365	94,168	41,936	196,320
Floating interest rate liabilities	30	-	30,980	-	-	31,010

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Non-derivative financial liabilities						
Non-interest bearing liabilities	\$ 1,292,511	\$ 1,275,794	\$ 888,507	\$ -	\$ -	\$ 3,456,812
Lease liabilities	4,462	8,714	34,977	66,255	43,480	157,888

June 30, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Non-derivative financial liabilities						
Non-interest bearing liabilities	\$ 1,202,679	\$ 1,145,846	\$ 1,277,011	\$ -	\$ -	\$3,625,536
Lease liabilities	4,266	8,464	36,945	82,440	45,024	177,139

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

b) Liquidity and interest rate risk table for derivative financial liabilities

The following table details the Group's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed is determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

June 30, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Foreign exchange forward contracts and foreign exchange swaps contracts				
Inflows	\$ 953,086	\$ 495,802	\$1,304,800	\$ -
Outflows	(950,566)	(495,510)	(1,298,828)	-
	<u>\$ 2,520</u>	<u>\$ 292</u>	<u>\$ 5,972</u>	<u>\$ -</u>

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Foreign exchange forward contracts and foreign exchange swaps contracts				
Inflows	\$ 305,895	\$1,143,430	\$1,359,840	\$ -
Outflows	(304,550)	(1,139,240)	(1,355,357)	-
	<u>\$ 1,345</u>	<u>\$ 4,190</u>	<u>\$ 4,483</u>	<u>\$ -</u>

June 30, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Foreign exchange forward contracts and foreign exchange swaps contracts				
Inflows	\$ 533,434	\$ 815,828	\$ 791,007	\$ -
Outflows	(531,233)	(814,125)	(789,131)	-
	<u>\$ 2,201</u>	<u>\$ 1,703</u>	<u>\$ 1,876</u>	<u>\$ -</u>

c) Financing facilities

	June 30, 2024	December 31, 2023	June 30, 2023
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	\$ 30,980	\$ 165,000	\$ 165,000
Amount unused	6,742,620	6,575,373	6,757,010
	<u>\$ 6,773,600</u>	<u>\$ 6,740,373</u>	<u>\$ 6,922,010</u>

The amount of used bank facilities were guaranteed by the bank in respect of the Supplier purchase guarantee letter opened by the Group as of December 31 and June 30, 2023.

33. TRANSACTIONS WITH RELATED PARTIES

In addition to those disclosed in other notes, detail of transactions between the Group and related parties are disclosed below:

a. Related party name and category

Related Party Name	Related Party Category
Silicon Power Computer & Communications Inc.	Substantive related party
ezGlobal Corp.	Substantive related party
Top Optronics Corp.	Substantive related party(Since October 18, 2023)
esGMeta Co.,Ltd.	Associates

b. Sales of goods

Related Party Category	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Substantive related party	\$ 1,537	\$ 1,559	\$ 1,662	\$ 1,583
Associates	-	-	7	-
	<u>\$ 1,537</u>	<u>\$ 1,559</u>	<u>\$ 1,669</u>	<u>\$ 1,583</u>

The transactions for related parties were negotiated under the terms of general transactions and prices.

c. Operating expenses

Related Party Category	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Substantive related party	\$ 386	\$ 202	\$ 680	\$ 403

The transactions in which the Group made payments of operating expenses to a related party were subject to a contractual agreement as there were no similar transactions for comparison.

d. Other income

Related Party Category	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Associates	\$ 504	\$ -	\$ 1,535	\$ -

In December 2023, the Group invested in associates through technical pricing, recognized other income of \$9,048 thousand and proportionally deferred \$4,298 thousand according to the shareholding ratio. However, as this income will be realized over time, \$1,535 thousand was realized and recognized for the six-month period ended June 30, 2024, while the remaining \$2,763 thousand will be deferred. The transaction was subject to the contractual agreement as there were no similar transactions for comparison.

e. Trade receivables from related parties

Related Party Category	Line Item	June 30, 2024	December 31, 2023	June 30, 2023
Substantive related party	Trade receivables from related parties	\$ 55	\$ 1,782	\$ -

The outstanding trade receivables from related parties were unsecured. No impairment losses were recognized for trade receivables from related parties.

f. Prepayments

Related Party Category	June 30, 2024	December 31, 2023	June 30, 2023
Substantive related party	\$ 61	\$ 20	\$ 200

g. Trade payables to related parties

Related Party Category	Line Item	June 30, 2024	December 31, 2023	June 30, 2023
Substantive related party	Other payables to related parties	\$ 345	\$ 371	\$ 118

The outstanding trade payables to related parties are unsecured.

h. Lease arrangement - the Group is lessor

Operating lease rental

Future lease receivables are as follows:

Related Party Category	June 30, 2024	December 31, 2023	June 30, 2023
Substantive related party	\$ 3,559	\$ 508	\$ 1,525

Lease income was as follows:

Related Party Category	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Substantive related party	\$ 508	\$ 509	\$ 1,022	\$ 1,022

The terms of transactions between the Group and its related parties for the collection of rent are based on the terms of contractual agreements as there were no similar transactions for comparison.

Related Party Category	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
<u>Deposit interest</u>				
Substantive related party	\$ -	\$ -	\$ 6	\$ 5

i. Guarantee deposits received

Related Party Category	June 30, 2024	December 31, 2023	June 30, 2023
Substantive related party	\$ 356	\$ 356	\$ 356

The guarantee deposits received are mainly generated from the rental deposits.

j. Remuneration of key management personnel

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 36,219	\$ 45,027	\$ 83,957	\$ 102,991
Post-employment benefits	529	454	1,065	907
Share-based payments	-	1,455	-	1,455
	\$ 36,748	\$ 46,936	\$ 85,022	\$ 105,353

The remuneration of directors and key executives was determined by the performance of individuals and the Group's profits.

34. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for the tariff of imported raw materials guarantees:

	June 30, 2024	December 31, 2023	June 30, 2023
Pledged time deposits	\$ 831,284	\$ 828,690	\$ 825,147

Pledged time deposits are classified as financial assets measured at amortized cost - current.

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

In addition to those disclosed in other notes, the significant commitments of the Group at the balance sheet date are as follows:

a. Long-term purchase agreements

The Group entered into long-term purchase agreements of materials with suppliers during 2021. Both parties agreed that during the contract period, the suppliers would deliver the materials to the Group in accordance with the agreements. The Group has paid the suppliers USD2,707 thousand as guarantee to ensure the supply of materials. The rights and obligations of both parties are based on the content of each agreement. Prepayment for purchase and refundable deposits were USD115 thousand and USD2,592 thousand, respectively.

b. Long-term supply agreements

The Group entered into long-term supply agreements of products with clients from 2021 to 2022. Both parties agreed that during the contract period, the Group would deliver the products to clients in accordance with the agreements. As of June 30, 2024, the Group has collected USD714 thousand as guarantee to ensure the supply of products. The rights and obligations of both parties are based on the content of each agreement.

As of June 30, 2024, the balance of the guarantee deposits received was USD714 thousand.

c. Acquisition of Property

Forcelead Technology Corp's Board of Directors approved on September 6, 2023 to purchase the office premises and entered into a purchase agreement with Winsome Development Co., Ltd. to acquire office on the 8th and 9th floors and parking spaces of Building 2B, Phase 10 of Tai Yuen Hi-Tech Industrial Park, in the amounting of NT\$937,250 thousand (including tax). As of June 30, 2024, NT\$121,870 thousand was paid as consideration.

The Company's Board of Directors approved on May 2, 2024, to purchase the office premises and entered into a purchase agreement with Winsome Development Co., Ltd. to acquire office on the 7th floors and parking spaces of Building 2B, Phase 10 of Tai Yuen Hi-Tech Industrial Park, in the amounting of NT\$468,800 thousand (including tax). As of June 30, 2024, NT\$60,960 thousand was paid as consideration.

36. SIGNIFICANT SUBSEQUENT EVENTS

On July 24, 2024, the Company reached a settlement with GalaxyCore (Shanghai) Inc. regarding the patent infringement lawsuit and other disputes. Both parties will withdraw all ongoing related lawsuits and invalidation request procedures. This event has no significant impact on the Company's financial and business aspects. Due to the confidentiality clause in the settlement agreement, the details of the agreement will not be disclosed.

Forcelead Technology Corp's Board of Directors approved on July 31, 2024 to issue the restricted stock options for employees. Forcelead Technology Corp. plans to issue 500 thousand shares of restricted stock for employees, with a par value of \$10. This proposal has yet to be resolved at the shareholders' meeting.

37. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	June 30, 2024		December 31, 2023		June 30, 2023	
	Foreign Currency	Exchange Rate	Foreign Currency	Exchange Rate	Foreign Currency	Exchange Rate
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 84,371	32.45	\$ 99,508	30.705	\$ 103,411	31.14
JPY	179,127	0.2017	134,167	0.2172	48,651	0.2150
CNY	59,464	4.445	61,502	4.327	50,348	4.282
<u>Non-monetary items</u>						
USD	31,850	32.45	28,932	30.705	25,693	31.14
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	74,518	32.45	77,665	30.705	83,258	31.14
JPY	100,966	0.2017	61,276	0.2172	31,054	0.2150
CNY	40	4.445	15	4.327	-	4.282

The Group is mainly exposed to the USD, JPY and CNY. The following information was aggregated by the functional currencies of the Group, and the exchange rates between the respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

Foreign Currency	For the three-month period ended June 30, 2024		For the three-month period ended June 30, 2023	
	Exchange Rate	Net Foreign Exchange (Losses) Gains	Exchange Rate	Net Foreign Exchange (Losses) Gains
NTD	1(NTD:NTD)	\$ 15,686	1(NTD:NTD)	\$ 19,463
CNY	4.445(CNY:NTD)	(101)	4.282(CNY:NTD)	5,598
		<u>\$ 15,585</u>		<u>\$ 25,061</u>
Foreign Currency	For the six-month period ended June 30, 2024		For the six-month period ended June 30, 2023	
	Exchange Rate	Net Foreign Exchange (Losses) Gains	Exchange Rate	Net Foreign Exchange (Losses) Gains
NTD	1(NTD:NTD)	\$ 43,770	1(NTD:NTD)	\$ 18,050
CNY	4.445(CNY:NTD)	76	4.282(CNY:NTD)	4,759
		<u>\$ 43,846</u>		<u>\$ 22,809</u>

38. SEPARATELY DISCLOSED ITEMS

- a. Information on significant transactions and b. information on investees:
- 1) Financing provided to others: Table 1 (attached)
 - 2) Endorsements/guarantees provided: Table 2 (attached)
 - 3) Marketable securities held (excluding investment in subsidiaries): Table 3 (attached)
 - 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) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: Table 4 (attached)
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5 (attached)
 - 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: Note 7 and Note 32.
 - 10) Intercompany relationships and significant intercompany transactions: Table 6 (attached)
 - 11) Information on investees: Table 7 (attached)
- c. Information on investments in mainland China: Table 8 and 9 (attached)
- In the preparation of the consolidated financial statements, major transactions between parent and subsidiary companies and their balances have been fully eliminated.
- 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: Table 10 (attached)

39. SEGMENT INFORMATION

The operating decision makers of the Group use the distribution of resources and the evaluation of segment performance to focus on the financial information of the Group as a whole, while individual companies have similar economic characteristics, and individual companies have used similar processes to produce similar products and sell them through the same sales method, so the Company and its subsidiaries are reported by the single operating department.

The Company and its subsidiaries provide the segment information reviewed by the operating decision maker on the same basis as the financial statements, and the profit and loss, assets and liabilities of the operating department are measured on the same basis as the combined financial report preparation. Therefore, the segment income and operating results for the six-month periods ended June 30, 2024 and 2023 can be referenced by the combined consolidated income and loss Statement for the six-month periods ended June 30, 2024 and 2023.

Segment assets that should be reported can be found in the consolidated balance sheets for the years ended June 30, 2024, December 31 and June 30, 2023.

TABLE 1

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for thePeriod	Ending Balance	Actual Amount Borrowed	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits
													Item	Value		
0	The Company	mCore Technology Corp.	Other receivables from related parties	Yes	\$ 50,000	\$ 50,000	\$ -	-	For financing	\$ -	Working capital	\$ -	—	\$ -	\$ 2,199,038	\$ 4,398,075
		Seer Microelectronics, Inc.	Other receivables from related parties	Yes	60,000	-	-	-	For financing	-	Working capital	-	—	-	2,199,038	4,398,075
		INFSitronix Technology Corp.	Other receivables from related parties	Yes	100,000	100,000	12,772	1.975%~6.8%	For financing	-	Working capital	-	—	-	2,199,038	4,398,075

Note 1: The description is as follows

- 1. Lender is numbered as 0.
- 2. Investee is numbered sequentially from 1.

Note 2: According to the “Financing providing and operation management method”, the total amount and the available amount to any individual for lending are as follows:

- 1. The total amount for lending shall not exceed 40% of SITRONIX’s net worth. However the total amount lendable to any subsidiary for short-term financing could upper to the total available amount of the company.
- 2. The total amount for lending to or lending from any directly or indirectly hold foreign subsidiaries with 100% ownership, shall not exceed 40% of the net worth of the lending company. The total amount for lending to any individual shall not exceed 50% of the total available amount.
- 3. Where funds are lent to a company or business with business relationships with the Company, the total amount for lending to any individual shall not exceed the amount of business transaction between the two parties. Amount of business transaction defines the highest amount of purchase or sales.
- 4. The total amount for lending to any individual shall not exceed 50% of the Company’s net worth for the company or firm that needs short-term financing.

TABLE 2

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

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

No. (Note 1)	Endorser/ Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Company	Hefei Sitronix Technology Co., Ltd.	Subsidiary	\$5,497,594	\$ 600,000	\$ 600,000	\$ 324,500	\$ -	5.57	\$5,497,594	Yes	—	Yes
		mCore Technology Corp.	Subsidiary	5,497,594	100,000	100,000	23,634	-	0.93	5,497,594	Yes	—	—
		HeFei Sitronix Co., Ltd.	Subsidiary	5,497,594	400,000	400,000	75,609	-	3.71	5,497,594	Yes	—	Yes
		Seer Microelectronics, Inc.	Subsidiary	5,497,594	200,000	200,000	9,735	-	1.86	5,497,594	Yes	—	—
		INFSitronix Technology Corp.	Subsidiary	5,497,594	100,000	100,000	4,868	-	0.93	5,497,594	Yes	—	—

Note 1: The description is as follows

1. Lender is numbered as 0.

2. Investee is numbered sequentially from 1.

Note 2: According to the “endorsement guarantee operation management measures” of Sitronix Technology Corp. The total amount of endorsement guarantee shall not exceed 50% of the net value in the latest year’s financial statements audited by CPA. The amount of endorsement guarantee for a single enterprise shall not exceed 25% of the net value of the latest year’s financial statements audited by CPA. However, the amount of endorsement guarantee for the company that directly and indirectly holds more than 50% of the voting shares of a company shall not exceed 50% of the net value of the latest year’s financial statements audited by CPA.

TABLE 3

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 2024

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	<u>Bond</u>							
	FORCAY 3.375% 04/22/2025, USD Bond	-	Financial assets at amortized cost - current	-	\$ 32,567	-	\$ 32,567	Note 2
	TAIWAN MOBILE first Unsecured Straight Corporate Bond in 2023	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	49,395	-	49,395	Note 1
	TSMC ARIZONA CORP 4.125% 04/22/2029, USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	31,534	-	31,534	Note 1
	GS 5.8% 12/18/2033, USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	31,965	-	31,965	Note 1
	Chailease Holding Company Limited first Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	100,000	9,920	-	9,920	Note 1
	Taishin Financial Holding Co., Ltd. first Unsecured Exchangeable Bond	-	Financial assets at fair value through profit or loss - current	200,000	21,010	-	21,010	Note 1
	Topco Technologies Corp. first Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	200,000	23,600	-	23,600	Note 1
	Yulon Motor Co., Ltd. third Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	65,000	6,936	-	6,936	Note 1
	Gloria Material Technology Corp. seventh Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	100,000	11,445	-	11,445	Note 1
	Ennoconn Corporation fifth Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	100,000	12,490	-	12,490	Note 1
	Yulon Finance Corp. second Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	100,000	9,900	-	9,900	Note 1
	<u>Derivatives</u>							
	6M USD FCN [AMD+SMCI+TSLA] 18.45% 01/06/2025	-	Financial assets at fair value through profit or loss - current	-	16,225	-	16,225	Note 1
	Taiwan Mask Corp. third Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - current	-	40,150	-	40,150	Note 1
	Taishin Financial Holding Co., Ltd. E1 Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - current	-	35,103	-	35,103	Note 1
	6M USD FCN [AAPL+INTC+TSM] 12.56% 09/26/2024	-	Financial assets at fair value through profit or loss - current	-	15,579	-	15,579	Note 1
	Phison Electronics Corp. first Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - current	-	30,027	-	30,027	Note 1
	Sigurd Microelectronics Corp. fourth Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - current	-	15,035	-	15,035	Note 1

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Gloria Material Technology Corp. seventh Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	\$ 15,110	-	\$ 15,110	Note 1
	Yulon Finance Corp. second Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non- current	-	20,065	-	20,065	Note 1
	<u>Fund</u> KGI Taiwan Assets Fund	-	Financial assets at fair value through profit or loss - current	5,503,962	70,227	-	70,227	Note 1
	UPAMC Taiwan Smart Strategy fund	-	Financial assets at fair value through profit or loss - current	1,000,000	13,580	-	13,580	Note 1
	UPAMC CB Strategy fund	-	Financial assets at fair value through profit or loss - current	10,000,000	120,799	-	120,799	Note 1
	Cathay U.S. Treasury 20+ Year Bond ETF	-	Financial assets at fair value through profit or loss - current	700,000	21,819	-	21,819	Note 1
	Eastspring Investments-US Corporate Bond Fund A-USD	-	Financial assets at fair value through profit or loss - current	11,687	5,228	-	5,228	Note 1
	<u>Stock</u> Silicon Power Computer & Communications Inc.	Substantive related party	Investments in equity instruments at fair value through other comprehensive income - current	4,198,701	187,262	-	187,262	Note 1
	Kwong Lung Enterprise Co., Ltd	-	Investments in equity instruments at fair value through other comprehensive income - current	146,000	8,891	-	8,891	Note 1
	Nan Ya Plastics Corporation	-	Investments in equity instruments at fair value through other comprehensive income - current	150,000	7,395	-	7,395	Note 1
	Cathay Financial Holding Co., Ltd. Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	131,000	8,004	-	8,004	Note 1
	Fubon Financial Holding Co., Ltd. Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	175,000	10,973	-	10,973	Note 1
	WT Microelectronics Co., Ltd. Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	1,000,000	47,300	-	47,300	Note 1
	Chailease Holding Company Limited Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	250,000	24,400	-	24,400	Note 1
	WPG Holdings Limited Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	690,000	33,810	-	33,810	Note 1
	Taishin Financial Holding Co., Ltd. Preferred Share F (2)	-	Investments in equity instruments at fair value through other comprehensive income - current	474,000	22,420	-	22,420	Note 1
	Taishin Financial Holding Co., Ltd. Preferred Share E	-	Investments in equity instruments at fair value through other comprehensive income - current	189,000	9,923	-	9,923	Note 1
	Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	7,354	583	-	583	Note 1

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	G-tech Electronics Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - current	307,000	\$ -	2	\$ -	
	<u>Equity Investment</u> Fong Huang VI Innovation Investment Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - non-current	22,000,000	219,887	11	219,887	Note 3
	Fong Huang IV Innovation Investment Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - non-current	1,500,000	24,592	6	24,592	Note 3
	Top Taiwan XIII Venture Capital Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - non-current	10,000,000	94,359	12	94,359	Note 3
	Fong Huang II Innovation Investment Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - non-current	3,000,000	48,294	7	48,294	Note 3
	Fong Huang Innovation Investment Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - non-current	3,000,000	49,125	9	49,125	Note 3
	HANS GLOBAL SELECT FUND LIMITED	-	Investments in equity instruments at fair value through other comprehensive income - non-current	120,000	364,965	-	364,965	Note 3
	<u>Limited Partnership</u> CDIB-Innolux Limited Partnership	-	Financial assets at fair value through profit or loss - non-current	4,953,300	64,792	-	64,792	Note 3
	Megawood Green Technology Fund L.P.	-	Financial assets at fair value through profit or loss - non-current	2,250,000	21,421	-	21,421	Note 3
	CDIB-Innolux II Limited Partnership	-	Financial assets at fair value through profit or loss - non-current	4,125,000	40,326	-	40,326	Note 3
Forcelead Technology Corp.	<u>Fund</u> TAISHIN JU LONG Fund	-	Financial assets at fair value through profit or loss - current	1,746,862	23,115	-	23,115	Note 1
	<u>Stock</u> WPG Holdings Limited Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	190,000	9,310	-	9,310	Note 1
Sensortek Technology Corp.	<u>Bond</u> FORCAY 3.375% 04/22/2025 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - current	-	15,930	-	15,930	Note 1
	CITI 2.80% 06/15/2025 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - current	-	31,380	-	31,380	Note 1
	China Huadian Corporation 3.375% Perpetual USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	31,655	-	31,655	Note 1

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Sensortek Technology Corp.	TSMC ARIZONA CORP 4.125% 04/22/2029 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	\$ 31,534	-	\$ 31,534	Note 1
	TSMC ARIZONA CORP 3.875% 04/22/2027 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	31,450	-	31,450	Note 1
	TSMC ARIZONA CORP 2.5% 10/25/2031 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	27,664	-	27,664	Note 1
	GS 5.8% 12/18/2033, USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	31,965	-	31,965	Note 1
	Chailease Holding Company Limited first Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	287,000	28,471	-	28,471	Note 1
	Taishin Financial Holding Co., Ltd. first Unsecured Exchangeable Bond	-	Financial assets at fair value through profit or loss - current	200,000	21,010	-	21,010	Note 1
	Yulon Motor Co., Ltd. third Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	40,000	4,268	-	4,268	Note 1
	Gloria Material Technology Corp. seventh Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	100,000	11,445	-	11,445	Note 1
	Alltop Technology Co., Ltd. sixth Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	50,000	6,200	-	6,200	Note 1
	<u>Derivatives</u>							
	Taiwan Mask Corp. third Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - current	-	30,101	-	30,101	Note 1
	RiTdisplay Corporation second Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - current	-	9,577	-	9,577	Note 1
	Taishin Financial Holding Co., Ltd. E1 Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - current	-	35,103	-	35,103	Note 1
	Phison Electronics Corp. first Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - current	-	20,018	-	20,018	Note 1
	Sigurd Microelectronics Corp. fourth Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - current	-	15,035	-	15,035	Note 1
	Gloria Material Technology Corp. seventh Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	20,135	-	20,135	Note 1
	Phison Electronics Corp. second Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	15,067	-	15,067	Note 1
	Alltop Technology Co., Ltd. sixth Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	10,049	-	10,049	Note 1
	<u>Fund</u>							
	Cathay U.S. Treasury 20+ Year Bond ETF	-	Financial assets at fair value through profit or loss - current	580,000	18,079	-	18,079	Note 1

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Sensortek Technology Corp.	<u>Stock</u> Chailease Holding Company Limited Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	300,000	\$ 29,280	-	\$ 29,280	Note 1
	WT Microelectronics Co., Ltd. Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	2,000,000	94,600	-	94,600	Note 1
	Fubon Financial Holding Co., Ltd. Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	800,000	50,160	-	50,160	Note 1
	Taishin Financial Holding Co., Ltd. Preferred Share E	-	Investments in equity instruments at fair value through other comprehensive income - current	609,000	31,973	-	31,973	Note 1
	Taiwan Cement Corp.	-	Investments in equity instruments at fair value through other comprehensive income - current	69,450	2,375	-	2,375	Note 1
	Powertech Technology Inc.	-	Investments in equity instruments at fair value through other comprehensive income - current	100,000	18,800	-	18,800	Note 1
	Sitronix Technology Corp.	The Parent Company	Investments in equity instruments at fair value through other comprehensive income - non-current	606,000	156,651	-	156,651	Note 1
	Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	33,621	2,666	-	2,666	Note 1
	<u>Equity Investment</u> Fong Huang II Innovation Investment Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - non-current	3,000,000	48,294	7	48,294	Note 3
	Fong Huang VI Innovation Investment Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - non-current	6,000,000	59,969	3	59,969	Note 3
	<u>Limited Partnership</u> CDIB-Innolux II Limited Partnership	-	Financial assets at fair value through profit or loss - non-current	1,650,000	16,130	-	16,130	Note 3
	<u>Equity Investment</u> HANS GLOBAL SELECT FUND LIMITED	-	Investments in equity instruments at fair value through other comprehensive income - non-current	111,500	339,113	-	339,113	Note 3
Sitronix Investment Corp.								
Sitronix Holding International Ltd.	<u>Bond</u> CITI 2.80% 06/15/2025 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - current	-	USD 967	-	USD 967	Note 1
	AT&T INC 5.35% 11/01/2066 (TBB) USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	USD 560	-	USD 560	Note 1

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Sitronix Holding International Ltd.	China Huadian Corporation 3.375% Perpetual USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	\$USD 975	-	\$USD 975	Note 1
	GS 5.8% 12/18/2033 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	USD 985	-	USD 985	Note 1
	MCD 2 1/8 03/01/30 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	USD 857	-	USD 857	Note 1
	NDAQ 5.55 02/15/34 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	USD 1,001	-	USD 1,001	Note 1
	GS 5.75% 05/22/34 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	USD 995	-	USD 995	Note 1

Note 1: Calculated based on the closing price on June 30, 2024.

Note 2: Listed based on book value.

Note 3: Calculated based on the net value on June 30, 2024.

Note 4: As of June 30, 2024, the above listed marketable securities were neither provided as guarantee nor pledged as collateral for loans.

Note 5: The marketable securities listed in the table above refer to the securities, bonds, beneficiary certificates and securities that fall within the scope of IFRS 9 “Financial Instruments”.

TABLE 4

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

**ACQUISTION OF INDIVIDUAL REAL ESTATE AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
The Company	Land and buildings	2024.5.2	\$ 468,800	\$ 60,960 (Note 1)	Winsome Development Co., Ltd.	None	-	-	-	\$ -	Real estate appraisal report and board of directors	Operating Purpose	None
Sync-Tech System Corp.	Buildings	2024.6.26	About 495,000 (Note 2)	-	Verizon Construction Ltd.	None	-	-	-	-	Price comparison and price negotiation	Operating Purpose	None

Note 1: The payments are recognized as prepayments for buildings.

Note 2: The disclosures are expected information base on the capital appropriation approved by Sync-Tech System Corp’s Board of Directors. The actual information shall be subject to the final purchase order of Sync-Tech System Corp.

TABLE 5

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/ Trade Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Company	Sensortek Technology Corp.	Subsidiary	Purchase	\$ 1,189,588	36%	Net 60 days from the ship date	\$ -	—	(\$ 404,893)	35%	—

TABLE 6

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Account	Amount	Payment Terms (Note)	% of Total Sales or Assets
0	The Company	Sensortek Technology Corp.	from the parent company to the subsidiary	Sales	\$ 28,148	—	-
				Purchases	1,189,588	—	14%
				Trade receivables	12,537	—	-
				Trade payables	404,893	—	2%
				Dividends payable	7,272	—	-
		Forcelead Technology Corp.	from the parent company to the subsidiary	Sales	20,972	—	-
				Rental income	3,845	—	-
				Purchases	50,729	—	-
				Trade receivables	9,805	—	-
				Other receivables	16,481	—	-
				Trade payables	17,168	—	-
		INFSitronix Technology Corp.	from the parent company to the subsidiary	Sales	6,515	—	-
				Trade receivables	2,290	—	-
				Other receivables	14,419	—	-
		mCore Technology Corp.	from the parent company to the subsidiary	Sales	11,901	—	-
				Trade receivables	3,628	—	-
				Other receivables	7,844	—	-
		Sync-Tech System Corp.	from the parent company to the subsidiary	Sales	2,491	—	-
				Other receivables	12,413	—	-
				Other payables	7,237	—	-
				Rental income	4,140	—	-
				Manufacturing expenses	29,308	—	-
		Sitronix Technology (Shenzhen) Co., Ltd.	from the parent company to the subsidiary	Professional service fees	100,700	—	1%
		HeFei Sitronix Co., Ltd.	from the parent company to the subsidiary	Purchases	9,421	—	-
				Trade payables	3,667	—	-
1	Forcelead Technology Corp.	Sync-Tech System Corp.	from the subsidiary to the subsidiary	Manufacturing expenses	15,760	—	-
				Other payables	6,663	—	-
2	mCore Technology Corp.	HeFei Sitronix Co., Ltd.	from the subsidiary to the subsidiary	Purchases	9,242	—	-
				Trade payables	5,834	—	-

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Account	Amount	Payment Terms (Note)	% of Total Sales or Assets
3	HeFei Sitronix Technology Co., Ltd.	Sync-Tech System Corp.	from the subsidiary to the subsidiary	Manufacturing expenses	\$ 5,515	—	-
				Other payables	5,575	—	-
4	HeFei Sitronix Technology Co., Ltd.	HeFei Sitronix Co., Ltd.	from the subsidiary to the subsidiary	Rental income	2,722	—	-

Note 1: The purchase transactions of the Company and its subsidiaries, their trading prices and collection conditions, are not significantly different from those of non-subsidiaries, and the rest of the transactions with the subsidiaries are calculated in accordance with the contractual agreements.

Note 2: The purchase transactions of the Forcelead Technology Corp. and the Sync-Tech System Corp. are calculated according to mutual agreements.

Note 3: The purchase transactions of the mCore Technology Corp. and the HeFei Sitronix Co., Ltd., their trading prices and collection conditions, are not significantly different from those of non-subsidiaries.

Note 4: The purchase transactions of the HeFei Sitronix Technology Co., Ltd. and the Sync-Tech System Corp. are calculated according to mutual agreements.

Note 5: The transactions of the receipt of other income of the HeFei Sitronix Technology Co., Ltd. and the HeFei Sitronix Co., Ltd., their trading terms are calculated in accordance with the contractual agreements.

TABLE 7

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Foreign Currencies in Thousands)		Balance as of June 30, 2024			Net Income (Loss) of the Investee	Share of (Loss) Profit
				June 30, 2024	December 31, 2023	Number of Shares	Percentage of Ownership (%)	Carrying Amount		
The Company	Sitronix Investment Corp.	Taiwan	Investment	\$ 367,270	\$ 367,270	33,249,060	100.00	\$ 341,894	(\$ 1,762)	(\$ 1,762)
	Forcelead Technology Corp.	Taiwan	R&D, design and sale of multi-functional integrated automotive display driver ICs	684,047	684,047	23,197,545	61.01	972,137	309,551	188,848
	Sensortek Technology Corp.	Taiwan	R&D, design and sales of sensor integrated circuit products	113,318	113,318	22,529,596	46.06	1,853,321	331,589	149,384
	mCore Technology Corp.	Taiwan	Providing solutions for consumer display and voice/audio related applications	131,074	131,074	9,583,010	90.73	119,358	16,201	14,699
	Sync-Tech System Corp.	Taiwan	Design, manufacturing and maintenance of semiconductor consumables and testing equipment	160,554	160,554	12,403,511	42.19	380,589	82,011	34,600
	INFSitronix Technology Corp.	Taiwan	Comprehensive line of Power supervisor IC design	193,559	193,559	9,796,220	58.42	45,306	(12,180)	(7,115)
	ezGreen Inc.	Taiwan	Software design and electronic information supply services	160,000	160,000	16,000,000	100.00	29,008	(16,872)	(16,872)
	Seer Microelectronics, Inc.	Taiwan	High performance sensor IC with single photon design and applications	95,000	95,000	9,500,000	72.66	64,935	(14,133)	(10,268)
Sitronix Investment Corp.	Sitronix Holding International Ltd.	Samoa	Investment	194,700	194,700	6,000,000	100.00	233,833	4,539	4,539
	Sensortek Technology Corp.	Taiwan	R&D, design and sales of sensor integrated circuit products	(USD 6,000) 10	(USD 6,000) 10	2,290	-	196	331,589	16
ezGreen Inc.	INFSitronix Technology Corp.	Taiwan	Comprehensive line of Power supervisor IC design	10	10	266	-	1	(12,180)	-
	esGMeta Co.,Ltd.	Taiwan	Carbon footprint verification, analysis of data on carbon system platforms, execution of carbon reduction projects and commissioning of carbon trading rights	9,500	9,500	9,500,000	33.93	5,606	(3,334)	(1,317)

Note : Foreign currencies is converted into NTD using the exchange rates of the US dollar to NTD on June 30, 2024.

TABLE 8

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investee Company	Main Businesses and Products	Paid-in Capital (Foreign Currencies in Thousands)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024 (Foreign Currencies in Thousands)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2024 (Foreign Currencies in Thousands)	Net Income (Loss) of the Investee	% Ownership for Direct or Indirect Investment	Investment Gain(Loss)	Carrying Amount as of June 30, 2024	Accumulated Repatriation of Investment Income as of June 30, 2024
					Outward (Foreign Currencies in Thousands)	Inward (Foreign Currencies in Thousands)						
Sitronix Technology (Shenzhen) Co., Ltd.	Computer software and hardware development, sales and after-sales service business and related technical consulting services	\$ 12,980 (USD 400)	Note 1	\$ 12,980 (USD 400)	\$ -	\$ -	\$ 12,980 (USD 400)	\$ 3,766	100%	\$ 3,766	\$ 33,115	\$ 10,237
HeFei ezGreen Co., Ltd.	Design, sales and technical services of Supplier management software development	44,450 (CNY 10,000)	Note 4	44,450 (CNY 10,000)	-	-	44,450 (CNY 10,000)	(3,332)	100%	(3,332)	7,858	-
HeFei Sitronix Co., Ltd.	R&D, design, sales and technical services of integrated circuits and system hardware and software	222,250 (CNY 50,000)	Note 5	100,013 (CNY 22,500)	-	-	100,013 (CNY 22,500)	(190)	90%	(171)	461,683	-
HeFei Sitronix Technology Co., Ltd.	R&D and sale of integrated circuits; R&D, service and sales of integrated circuits chip	155,575 (CNY 35,000)	Note 6	155,575 (CNY 35,000)	-	-	155,575 (CNY 35,000)	(4,019)	100%	(4,019)	139,066	-

Investor Company	Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2024 (Foreign Currencies in Thousands)	Investment Amount Authorized by the Investment Commission, MOEA (Foreign Currencies in Thousands)	Upper Limit on the Amounts of Investment Stipulated by Investment Commission, MOEA
Sitronix Technology Corporation	\$ 345,008 (US\$ 10,632)	\$ 731,261 (US\$ 22,535)	\$ 6,460,513
Forcelead Technology Corp.	- (US\$ -)	25,246 (US\$ 778)	955,923

Note 1: Direct Investment, as of June 30, 2024, the total investment amount approved by the Investment Commission, MOEA, is US\$400 thousand, and the investment amount of US\$400 thousand has been remitted.

Note 2: Foreign currencies are converted into NTD using the exchange rates of the US dollar and CNY to NTD on June 30, 2024.

Note 3: According to the Investment Commission, MOEA, 60% of the net value of investments in mainland China is set.

Note 4: Direct Investment, as of June 30, 2024, the total investment amount approved by the Investment Commission, MOEA, is CNY10,000 thousand, and the investment amount of CNY10,000 thousand has been remitted.

Note 5: Direct Investment, as of June 30, 2024, the total investment amount approved by the Investment Commission, MOEA, is CNY45,000 thousand, and the investment amount of CNY22,500 thousand has been remitted, and the capital increase from capital surplus in the amount of CNY22,500 thousand.

Note 6: Direct Investment, as of June 30, 2024, the total investment amount approved by the Investment Commission, MOEA, is CNY90,000 thousand, and the investment amount of CNY35,000 thousand has been remitted.

TABLE 9

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

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
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Relationship	Transaction Type	Total Operating Expenses		Price	Transaction Details		Notes/Trade Receivable (Payable)		Unrealized (Gain) Loss	Note
				Amount	%		Payment Terms	Comparison with Normal Transactions	Ending Balance	%		
The Company	Sitronix Technology (Shenzhen) Co., Ltd.	from the parent company to the subsidiary	Professional service fees	\$ 100,700	11%	Calculated based on the contract	Calculated based on the contract	No related similar transactions to follow	\$ -	-	\$ -	—

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON MAJOR SHAREHOLDERS
JUNE 30, 2024

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Capital Tip customized Taiwan Select High Dividend ETF	10,780,000	8.97
Custody Account of Fuh Hwa Taiwan Technology Dividend Highlight ETF under Taipei Fubon Commercial Bank Co., Ltd.	7,628,000	6.34

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to a trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Securities and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System.