

**Sitronix Technology Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 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 September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2024 and 2023, the related consolidated statements of changes in equity and cash flows for the nine months ended September 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 September 30, 2024 and 2023, the combined total assets of these non-significant subsidiaries were NT\$3,598,854 thousand and NT\$2,726,129 thousand, respectively, representing 17.92% and 14.78%, respectively, of the Group's consolidated total assets, and the combined total liabilities of these non-significant subsidiaries as of September 30, 2024 and 2023 were NT\$979,778 thousand and NT\$418,082 thousand, respectively, representing 18.61% and 8.89%, respectively, of the Group's consolidated total liabilities; for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the amounts of comprehensive income (loss) of these subsidiaries were NT\$(5,417) thousand, NT\$(37,244) thousand, NT\$(11,056) thousand and NT\$(60,491) thousand, respectively, representing (0.95)% , (5.36)% , (0.52)% and (3.10)% , respectively, of the Group's consolidated comprehensive income (loss). As disclosed in Note 13 to the consolidated financial statements, as of September 30, 2024, the balance of investments accounted for using the equity method was NT\$5,443 thousand, and for the three months ended September 30, 2024 and for the nine

months ended September 30, 2024, the balance of share of losses of associates were NT\$(317) thousand and NT\$(1,634) 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 September 30, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023 and its consolidated financial performance and its consolidated cash flows for the nine months ended September 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

October 31, 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
SEPTEMBER 30, 2024, DECEMBER 31 AND SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars)

| ASSETS | September 30, 2024 | | December 31, 2023 | | September 30, 2023 | | LIABILITIES AND EQUITY | September 30, 2024 | | December 31, 2023 | | September 30, 2023 | |
|--------------------------------------------------------------------------------------------------|--------------------|-----|-------------------|-----|--------------------|-----|-------------------------------------------------------------------------------------------------|--------------------|-----|-------------------|-----|--------------------|-------|
| | Amount | % | Amount | % | Amount | % | | Amount | % | Amount | % | Amount | % |
| CURRENT ASSETS | | | | | | | CURRENT LIABILITIES | | | | | | |
| Cash and cash equivalents (Notes 6 and 32) | \$ 6,324,261 | 31 | \$ 5,499,342 | 28 | \$ 4,956,848 | 27 | Short-term borrowings (Notes 19, 30 and 32) | \$ 172,750 | 1 | \$ - | - | \$ - | - |
| Financial assets at fair value through profit or loss - current (Notes 7 and 32) | 393,472 | 2 | 623,250 | 3 | 681,101 | 4 | Financial liabilities at fair value through profit or loss (Notes 7 and 32) | 5,222 | - | 27,793 | - | 59,064 | - |
| Financial assets at fair value through other comprehensive income – current (Notes 8 and 32) | 633,529 | 3 | 667,938 | 3 | 722,726 | 4 | Notes payable and trade payables (Note 32) | 2,303,243 | 11 | 1,974,921 | 10 | 1,519,106 | 8 |
| Financial assets at amortized cost – current (Notes 9, 32 and 34) | 2,133,502 | 11 | 3,133,690 | 16 | 2,621,549 | 14 | Accrued profit sharing bonus to employees' compensation and remuneration of directors (Note 24) | 312,890 | 2 | 330,763 | 2 | 309,307 | 2 |
| Notes receivable and trade receivables (Notes 10, 23 and 32) | 1,741,664 | 9 | 1,592,929 | 8 | 1,475,295 | 8 | Other payables (Notes 20 and 32) | 1,667,106 | 8 | 1,473,716 | 7 | 1,729,791 | 9 |
| Trade receivables from related parties (Notes 23, 32 and 33) | - | - | 1,782 | - | - | - | Other payables to related parties (Notes 32 and 33) | 350 | - | 371 | - | 119 | - |
| Other receivables (Notes 10 and 33) | 264,732 | 1 | 116,874 | 1 | 205,722 | 1 | Current tax liabilities (Notes 4 and 25) | 226,286 | 1 | 562,401 | 3 | 454,956 | 3 |
| Inventories (Note 11) | 3,028,062 | 15 | 2,660,629 | 14 | 2,834,529 | 15 | Lease liabilities - current (Notes 15, 30 and 32) | 59,265 | - | 46,884 | - | 46,839 | - |
| Prepayments (Notes 18, 33 and 35) | 198,101 | 1 | 191,653 | 1 | 106,828 | 1 | Other current liabilities (Notes 20, 23 and 32) | 107,114 | 1 | 148,616 | 1 | 137,969 | 1 |
| Other current assets (Notes 18 and 32) | 19,856 | - | 12,915 | - | 37,098 | - | Total current liabilities | 4,854,226 | 24 | 4,565,465 | 23 | 4,257,151 | 23 |
| Total current assets | 14,737,179 | 73 | 14,501,002 | 74 | 13,641,696 | 74 | NON-CURRENT LIABILITIES | | | | | | |
| NON-CURRENT ASSETS | | | | | | | Deferred tax liabilities (Notes 4 and 25) | 9,924 | - | 23,329 | - | 22,729 | - |
| Financial assets at fair value through profit or loss - non-current (Notes 7 and 32) | 239,367 | 1 | 302,718 | 2 | 241,256 | 1 | Lease liabilities - non-current (Notes 15, 30 and 32) | 173,154 | 1 | 104,905 | 1 | 110,234 | 1 |
| Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 32) | 1,708,890 | 9 | 1,203,010 | 6 | 1,008,165 | 5 | Net defined benefit liabilities - non-current (Notes 4 and 21) | 24,842 | - | 26,355 | - | 29,691 | - |
| Financial assets at amortized cost - non-current (Notes 9 and 32) | - | - | 30,870 | - | 32,501 | - | Other non-current liabilities (Notes 20, 30, 32, 33 and 35) | 201,364 | 1 | 267,797 | 1 | 280,396 | 1 |
| Investments accounted for using the equity method (Note 13) | 5,443 | - | 5,202 | - | - | - | Total non-current liabilities | 409,284 | 2 | 422,386 | 2 | 443,050 | 2 |
| Property, plant and equipment (Note 14) | 1,994,539 | 10 | 1,867,934 | 10 | 1,865,758 | 10 | Total liabilities | 5,263,510 | 26 | 4,987,851 | 25 | 4,700,201 | 25 |
| Right-of-use assets (Note 15) | 244,836 | 1 | 146,749 | 1 | 152,438 | 1 | EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Notes 22, 27 and 29) | | | | | | |
| Investment properties (Note 16) | 638,914 | 3 | 637,589 | 3 | 639,938 | 4 | Share capital | | | | | | |
| Goodwill (Note 28) | 7,074 | - | 7,074 | - | 7,074 | - | Ordinary shares | 1,201,369 | 6 | 1,201,369 | 6 | 1,201,369 | 7 |
| Intangible assets (Note 17) | 200,665 | 1 | 195,713 | 1 | 178,475 | 1 | Capital surplus | 1,845,988 | 9 | 1,839,449 | 9 | 1,718,298 | 9 |
| Deferred tax assets - non-current (Notes 4 and 25) | 3,410 | - | 5,771 | - | 6,558 | - | Retained earnings | | | | | | |
| Other non-current assets (Notes 18, 32 and 35) | 297,024 | 2 | 679,231 | 3 | 674,057 | 4 | Legal reserve | 2,351,222 | 12 | 2,165,105 | 11 | 2,165,105 | 12 |
| Total non-current assets | 5,340,162 | 27 | 5,081,861 | 26 | 4,806,220 | 26 | Special reserve | 76,387 | - | 288,225 | 1 | 288,225 | 1 |
| | | | | | | | Unappropriated earnings | 5,647,513 | 28 | 5,633,437 | 29 | 5,200,442 | 28 |
| | | | | | | | Total retained earnings | 8,075,122 | 40 | 8,086,767 | 41 | 7,653,772 | 41 |
| | | | | | | | Other equity | | | | | | |
| | | | | | | | Exchange differences on translating the financial statements of foreign operations | 32,172 | - | (2,758) | - | 21,040 | - |
| | | | | | | | Unrealized gain (loss) on financial assets at fair value through other comprehensive income | 107,423 | 1 | (73,630) | - | (161,485) | (1) |
| | | | | | | | Total other equity | 139,595 | 1 | (76,388) | - | (140,445) | (1) |
| | | | | | | | Treasury shares | (56,009) | - | (56,009) | - | (56,009) | - |
| | | | | | | | Total equity attributable to owners of the Company | 11,206,065 | 56 | 10,995,188 | 56 | 10,376,985 | 56 |
| | | | | | | | NON-CONTROLLING INTERESTS (Notes 12, 22, 28 and 29) | | | | | | |
| | | | | | | | Total equity | 14,813,831 | 74 | 14,595,012 | 75 | 13,747,715 | 75 |
| TOTAL | \$ 20,077,341 | 100 | \$ 19,582,863 | 100 | \$ 18,447,916 | 100 | TOTAL | \$ 20,077,341 | 100 | \$ 19,582,863 | 100 | \$ 18,447,916 | 100 |

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated October 31, 2024)

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

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

| | Three Months Ended September 30 | | | | Nine Months Ended September 30 | | | |
|--------------------------------------------------------------------------------------------------------------|---------------------------------|-----------|------------------|-----------|--------------------------------|-----------|------------------|-----------|
| | 2024 | | 2023 | | 2024 | | 2023 | |
| | Amount | % | Amount | % | Amount | % | Amount | % |
| NET REVENUE (Notes 23 and 33) | \$ 4,683,339 | 100 | \$ 4,201,548 | 100 | \$ 13,209,642 | 100 | \$ 12,211,727 | 100 |
| OPERATING COSTS (Notes 11 and 24) | <u>3,133,886</u> | <u>67</u> | <u>2,650,487</u> | <u>63</u> | <u>8,647,898</u> | <u>65</u> | <u>8,026,788</u> | <u>66</u> |
| GROSS PROFIT | <u>1,549,453</u> | <u>33</u> | <u>1,551,061</u> | <u>37</u> | <u>4,561,744</u> | <u>35</u> | <u>4,184,939</u> | <u>34</u> |
| OPERATING EXPENSES (Notes 10, 24 and 33) | | | | | | | | |
| Selling and marketing expenses | 92,643 | 2 | 83,665 | 2 | 249,383 | 2 | 224,026 | 2 |
| General and administrative expenses | 183,388 | 4 | 167,088 | 4 | 537,409 | 4 | 465,780 | 4 |
| Research and development expenses | 644,761 | 14 | 604,495 | 14 | 1,850,007 | 14 | 1,673,847 | 13 |
| Expected credit loss (gain) | <u>205</u> | <u>-</u> | <u>(945)</u> | <u>-</u> | <u>504</u> | <u>-</u> | <u>292</u> | <u>-</u> |
| Total operating expenses | <u>920,997</u> | <u>20</u> | <u>854,303</u> | <u>20</u> | <u>2,637,303</u> | <u>20</u> | <u>2,363,945</u> | <u>19</u> |
| OTHER OPERATING INCOME AND EXPENSES (Note 24) | <u>18,658</u> | <u>1</u> | <u>296</u> | <u>-</u> | <u>19,300</u> | <u>-</u> | <u>853</u> | <u>-</u> |
| INCOME FROM OPERATIONS | <u>647,114</u> | <u>14</u> | <u>697,054</u> | <u>17</u> | <u>1,943,741</u> | <u>15</u> | <u>1,821,847</u> | <u>15</u> |
| NON-OPERATING INCOME AND EXPENSES (Notes 24 and 33) | | | | | | | | |
| Interest income | 42,455 | 1 | 36,808 | 1 | 134,732 | 1 | 115,595 | 1 |
| Other income | 32,245 | - | 33,833 | 1 | 82,625 | 1 | 74,291 | - |
| Other gains and losses | (13,518) | - | 60,193 | 1 | 62,897 | - | 108,693 | 1 |
| Finance costs | (6,881) | - | (1,617) | - | (12,330) | - | (3,291) | - |
| Share of losses of associates | (317) | - | - | - | (1,634) | - | - | - |
| Total non-operating income and expenses | <u>53,984</u> | <u>1</u> | <u>129,217</u> | <u>3</u> | <u>266,290</u> | <u>2</u> | <u>295,288</u> | <u>2</u> |
| INCOME BEFORE INCOME TAX | 701,098 | 15 | 826,271 | 20 | 2,210,031 | 17 | 2,117,135 | 17 |
| INCOME TAX EXPENSE (Notes 4 and 25) | <u>101,689</u> | <u>2</u> | <u>113,657</u> | <u>3</u> | <u>310,520</u> | <u>3</u> | <u>309,317</u> | <u>2</u> |
| NET INCOME | <u>599,409</u> | <u>13</u> | <u>712,614</u> | <u>17</u> | <u>1,899,511</u> | <u>14</u> | <u>1,807,818</u> | <u>15</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 | (44,158) | (1) | (51,342) | (1) | 179,917 | 1 | 121,914 | 1 |
| Items that may be reclassified subsequently to profit or loss | | | | | | | | |
| Exchange differences on translation of the financial statements of foreign operations | 6,236 | - | 27,944 | 1 | 37,193 | 1 | 11,943 | - |
| Unrealized (loss) gain on investments in debt instruments at fair value through other comprehensive income | <u>7,326</u> | <u>-</u> | <u>6,137</u> | <u>-</u> | <u>16,552</u> | <u>-</u> | <u>12,539</u> | <u>-</u> |
| Other comprehensive (loss) income for the period, net of income tax | (30,596) | (1) | (17,261) | - | <u>233,662</u> | <u>2</u> | <u>146,396</u> | <u>1</u> |

(Continued)

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | Three Months Ended September 30 | | | | Nine Months Ended September 30 | | | |
|---------------------------------------------|---------------------------------|-----------|-------------------|-----------|--------------------------------|-----------|---------------------|-----------|
| | 2024 | | 2023 | | 2024 | | 2023 | |
| | Amount | % | Amount | % | Amount | % | Amount | % |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | <u>\$ 568,813</u> | <u>12</u> | <u>\$ 695,353</u> | <u>17</u> | <u>\$ 2,133,173</u> | <u>16</u> | <u>\$ 1,954,214</u> | <u>16</u> |
| NET INCOME ATTRIBUTABLE TO: | | | | | | | | |
| Owners of the Company | \$ 463,493 | 10 | \$ 539,978 | 13 | \$ 1,428,180 | 11 | \$ 1,428,168 | 12 |
| Non-controlling interests | <u>135,916</u> | <u>3</u> | <u>172,636</u> | <u>4</u> | <u>471,331</u> | <u>3</u> | <u>379,650</u> | <u>3</u> |
| | <u>\$ 599,409</u> | <u>13</u> | <u>\$ 712,614</u> | <u>17</u> | <u>\$ 1,899,511</u> | <u>14</u> | <u>\$ 1,807,818</u> | <u>15</u> |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | | | | | | | |
| Owners of the Company | \$ 436,399 | 9 | \$ 523,647 | 13 | \$ 1,645,980 | 12 | \$ 1,569,485 | 13 |
| Non-controlling interests | <u>132,414</u> | <u>3</u> | <u>171,706</u> | <u>4</u> | <u>487,193</u> | <u>4</u> | <u>384,729</u> | <u>3</u> |
| | <u>\$ 568,813</u> | <u>12</u> | <u>\$ 695,353</u> | <u>17</u> | <u>\$ 2,133,173</u> | <u>16</u> | <u>\$ 1,954,214</u> | <u>16</u> |
| EARNINGS PER SHARE (Note 26) | | | | | | | | |
| Basic | <u>\$ 3.87</u> | | <u>\$ 4.51</u> | | <u>\$ 11.92</u> | | <u>\$ 11.92</u> | |
| Diluted | <u>\$ 3.85</u> | | <u>\$ 4.49</u> | | <u>\$ 11.85</u> | | <u>\$ 11.83</u> | |

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated October 31, 2024)

(Concluded)

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 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 | | | | | | | | | | | | |
| Adjustment of capital surplus due to dividends distributed to subsidiaries | - | - | 6,141 | - | - | - | - | - | - | 6,141 | 7,191 | 13,332 |
| Changes in percentage of ownership interests in subsidiaries | - | - | 21,417 | - | - | - | - | - | - | 21,417 | (21,417) | - |
| Net income for the nine months ended September 30, 2023 | - | - | - | - | - | 1,428,168 | - | - | - | 1,428,168 | 379,650 | 1,807,818 |
| Other comprehensive income (loss) for the nine months ended September 30, 2023 | - | - | - | - | - | - | 11,854 | 129,463 | - | 141,317 | 5,079 | 146,396 |
| Total comprehensive income (loss) for the nine months ended September 30, 2023 | - | - | - | - | - | 1,428,168 | 11,854 | 129,463 | - | 1,569,485 | 384,729 | 1,954,214 |
| Increase in non-controlling interests | - | - | - | - | - | - | - | - | - | - | 222,015 | 222,015 |
| Subsidiary share-based payment transaction | - | - | - | - | - | - | - | - | - | - | 7,580 | 7,580 |
| Dividends paid to non-controlling interests | - | - | - | - | - | - | - | - | - | - | (572,287) | (572,287) |
| BALANCE, SEPTEMBER 30, 2023 | 120,137 | \$ 1,201,369 | \$ 1,718,298 | \$ 2,165,105 | \$ 288,225 | \$ 5,200,442 | \$ 21,040 | (\$ 161,485) | (\$ 56,009) | \$ 10,376,985 | \$ 3,370,730 | \$ 13,747,715 |
| 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 | - | - | 3,004 | - | - | - | - | - | - | 3,004 | (3,004) | - |
| 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 nine months ended September 30, 2024 | - | - | - | - | - | 1,428,180 | - | - | - | 1,428,180 | 471,331 | 1,899,511 |
| Other comprehensive income (loss) for the nine months ended September 30, 2024 | - | - | - | - | - | - | 34,930 | 182,870 | - | 217,800 | 15,862 | 233,662 |
| Total comprehensive income (loss) for the nine months ended September 30, 2024 | - | - | - | - | - | 1,428,180 | 34,930 | 182,870 | - | 1,645,980 | 487,193 | 2,133,173 |
| Increase in non- controlling interests | - | - | - | - | - | - | - | - | - | - | 18,540 | 18,540 |
| Subsidiary share-based payment transaction | - | - | - | - | - | - | - | - | - | - | 1,815 | 1,815 |
| Dividends paid to non-controlling interests | - | - | - | - | - | - | - | - | - | - | (500,525) | (500,525) |
| BALANCE, SEPTEMBER 30, 2024 | 120,137 | \$ 1,201,369 | \$ 1,845,988 | \$ 2,351,222 | \$ 76,387 | \$ 5,647,513 | \$ 32,172 | \$ 107,423 | (\$ 56,009) | \$ 11,206,065 | \$ 3,607,766 | \$ 14,813,831 |

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated October 31, 2024)

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

| | Nine Months Ended September 30 | |
|----------------------------------------------------------------------------------------------------------|--------------------------------|--------------|
| | 2024 | 2023 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Income before income tax | \$ 2,210,031 | \$ 2,117,135 |
| Adjustments for: | | |
| Depreciation expense | 306,505 | 278,779 |
| Amortization expense | 75,854 | 51,971 |
| Expected credit loss recognized on trade receivables | 504 | 292 |
| Net gain on fair value changes of financial assets designated as at fair value through profit or loss | (23,504) | (49,882) |
| Finance costs | 12,330 | 3,291 |
| Interest income | (134,732) | (115,595) |
| Dividend income | (34,354) | (30,725) |
| Compensation costs of share-based payments | 1,815 | 7,580 |
| Share of losses of associates | 1,634 | - |
| Net(gain) loss on disposal of property, plant and equipment | (18,285) | 18 |
| Gain on disposal of financial instruments | (1,473) | - |
| Write down of inventories recognized (reversed) | 56,693 | (94,898) |
| Impairment loss recognized on prepayment for purchase | - | 178,142 |
| Realized gain with associates | (1,689) | - |
| Unrealized net loss (gain) on foreign currency exchange | 103 | (34,062) |
| Gain on modification of lease agreements | (90) | (9) |
| Changes in operating activities assets and liabilities | | |
| Notes receivable and trade receivables | (155,431) | (233,281) |
| Receivables from related parties | 1,782 | 1,469 |
| Other receivables | (128,709) | (99,991) |
| Inventories | (424,126) | 1,677,262 |
| Prepayments | 2,704 | 36,399 |
| Other current assets | (6,941) | (25,516) |
| Notes payable and trade payables | 666,742 | 503,497 |
| Other payables | 109,689 | (136,707) |
| Other payables to related parties | (21) | (63) |
| Other current liabilities | (10,797) | (16,050) |
| Net defined benefit liabilities | (1,513) | (1,700) |
| Accrued profit sharing bonus to employees' compensation and remuneration of directors | (3,735) | (169,735) |
| Cash generated from operations | 2,500,986 | 3,847,621 |
| Interest received | 133,120 | 109,060 |
| Interest paid | (12,015) | (3,263) |
| Income tax paid | (658,116) | (830,561) |
| Net cash generated from operating activities | 1,963,975 | 3,122,857 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of financial assets at fair value through other comprehensive income | (378,699) | (72,348) |
| Disposal of financial assets at fair value through other comprehensive income | 124,155 | - |

(Continued)

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

| | Nine Months Ended September 30 | |
|---------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------|
| | 2024 | 2023 |
| Purchase of financial assets measured at amortized cost | (\$ 3,425,086) | (\$ 3,853,230) |
| Proceeds from the return of principal of financial assets at amortized cost | 4,457,038 | 3,648,570 |
| Acquisition of financial assets at fair value through profit or loss | (373,442) | (285,847) |
| Disposal of financial assets at fair value through profit or loss | 654,837 | 294,544 |
| Net cash flow from acquisition of subsidiaries | - | 1,157 |
| Acquisition of property, plant and equipment | (364,246) | (343,084) |
| Proceeds from disposal of property, plant and equipment | 48 | - |
| Increase in refundable deposits | (3,000) | (1,644) |
| Decrease in refundable deposits | 78,796 | 121,350 |
| Acquisition of intangible assets | (80,376) | (92,306) |
| Acquisition of right-of-use assets | (7,591) | - |
| Acquisition of investment properties | (3,487) | - |
| Dividends received | 34,592 | 30,725 |
| Other non-current liabilities | (213) | - |
| Net cash generated from (used in) investing activities | <u>713,326</u> | <u>(552,113)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from short-term borrowings | 2,186,820 | 439,302 |
| Repayments of short-term borrowings | (2,014,600) | (477,347) |
| Repayment of bonds | - | (9,000) |
| Increase in guarantee deposits | 21,172 | 4,615 |
| Decrease in guarantee deposits | (131,265) | (93,636) |
| Repayment of the principal portion of lease liabilities | (41,165) | (37,240) |
| Cash dividends | (1,434,370) | (2,629,679) |
| Dividends paid to non-controlling interests | (500,525) | (572,287) |
| Increase in non-controlling interests | - | 63,000 |
| Employee compensation issued in the form of stock that are not vested | <u>4,402</u> | <u>1,002</u> |
| Net cash used in financing activities | <u>(1,909,531)</u> | <u>(3,311,270)</u> |
| EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES | <u>57,149</u> | <u>35,657</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 824,919 | (704,869) |
| 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>\$ 6,324,261</u> | <u>\$ 4,956,848</u> |

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated October 31, 2024)

(Concluded)

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 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 October 31, 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 periods 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 Announced 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

The same critical accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as those applied in the preparation of the consolidated financial statements for the year ended December 31, 2023.

6. CASH AND CASH EQUIVALENTS

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|------------------------------|-----------------------|----------------------|-----------------------|
| Cash on hand | \$ 228 | \$ 281 | \$ 282 |
| Checking and demand deposits | 1,018,785 | 887,402 | 923,541 |
| Time deposits | 3,884,934 | 4,128,237 | 2,513,569 |
| Cash equivalents | 1,420,314 | 483,422 | 1,519,456 |
| | <u>\$ 6,324,261</u> | <u>\$ 5,499,342</u> | <u>\$ 4,956,848</u> |

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

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|------------------|-----------------------|----------------------|-----------------------|
| Time deposits | 0.700%~5.500% | 0.395%~5.400% | 0.625%~5.40% |
| Cash equivalents | 1.290%~5.300% | 1.250%~5.400% | 1.15%~5.23% |

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|------------------------------------------------------------------------|-----------------------|----------------------|-----------------------|
| <u>Financial assets at FVTPL - current</u> | | | |
| Mandatorily measured at FVTPL | | | |
| Derivative financial assets | | | |
| Credit linked notes-linked with convertible bonds | \$ 129,833 | \$ 170,667 | \$ 240,447 |
| Foreign exchange forward contracts and foreign exchange swap contracts | 13,389 | 37,811 | 67,555 |
| Equity linked notes | - | 15,466 | 16,014 |
| Non-derivative financial assets | | | |
| Domestic mutual fund investments | 85,956 | 241,345 | 207,587 |
| Convertible bonds | 122,149 | 113,786 | 105,292 |
| Exchangeable bonds | 41,480 | 41,520 | 41,740 |
| Domestic listed shares | 665 | 2,655 | 2,466 |
| | <u>\$ 393,472</u> | <u>\$ 623,250</u> | <u>\$ 681,101</u> |

Financial assets at FVTPL - non-current

| | | | |
|-----------------------------------------------------|-----------|------------|------------|
| Mandatorily measured at FVTPL | | | |
| Derivative financial assets | | | |
| Credit linked notes - linked with convertible bonds | \$ 85,399 | \$ 220,544 | \$ 180,508 |

(Continued)

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|---------------------------------------------------------------------------|-------------------------------|------------------------------|-------------------------------|
| Non-derivative financial assets | | | |
| Limited partnership | \$ 153,968 | \$ 82,174 | \$ 60,748 |
| | <u>\$ 239,367</u> | <u>\$ 302,718</u> | <u>\$ 241,256</u> |
| Financial liabilities at FVTPL - current | | | |
| Mandatorily measured at FVTPL | | | |
| Derivative financial liabilities | | | |
| Foreign exchange forward contracts and foreign exchange swap contracts | \$ 5,222 | \$ 27,793 | \$ 59,064 |
| | | | (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) |
|---------------------------------|-----------------|-----------------------|-------------------------------------------|
| September 30, 2024 | | | |
| Sell forward exchange contracts | USD/NTD | 2024.10.03~2025.02.21 | US\$31,500/NT\$1,007,105 |
| Buy forward exchange contracts | NTD/USD | 2024.10.01~2025.02.19 | NT\$1,046,413/US\$33,000 |
| December 31, 2023 | | | |
| 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 |
| September 30, 2023 | | | |
| Sell forward exchange contracts | USD/NTD | 2023.10.05~2024.06.26 | US\$43,500/NT\$1,344,750 |
| Buy forward exchange contracts | NTD/USD | 2023.10.11~2024.06.28 | NT\$1,336,191/US\$43,500 |

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

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|---------------------------------------------|-------------------------------|------------------------------|-------------------------------|
| Current | | | |
| Investments in equity instruments at FVTOCI | \$ 555,497 | \$ 561,273 | \$ 517,065 |
| Investments in debt instruments at FVTOCI | 78,032 | 106,665 | 205,661 |
| | <u>\$ 633,529</u> | <u>\$ 667,938</u> | <u>\$ 722,726</u> |
| | | | (Continued) |

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|---------------------------------------------|-------------------------------|------------------------------|-------------------------------|
| <u>Non-current</u> | | | |
| Investments in equity instruments at FVTOCI | \$ 1,257,895 | \$ 791,077 | \$ 741,548 |
| Investments in debt instruments at FVTOCI | 450,995 | 411,933 | 266,617 |
| | <u>\$ 1,708,890</u> | <u>\$ 1,203,010</u> | <u>\$ 1,008,165</u> |
| | | | (Concluded) |

a. Investments in equity instruments at FVTOCI

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|---------------------------|-------------------------------|------------------------------|-------------------------------|
| <u>Current</u> | | | |
| Domestic investments | | | |
| Listed shares (1) and (2) | \$ 543,725 | \$ 561,273 | \$ 517,065 |
| Foreign investments | | | |
| Listed shares (1) and (3) | 11,772 | - | - |
| | <u>\$ 555,497</u> | <u>\$ 561,273</u> | <u>\$ 517,065</u> |

Non-current

| | | | |
|-----------------------------------------|---------------------|-------------------|-------------------|
| Domestic investments | | | |
| Unlisted equity investments (1) and (3) | \$ 527,090 | \$ 218,352 | \$ 213,140 |
| Foreign investments | | | |
| Unlisted equity investments (1) | 730,805 | 572,725 | 528,408 |
| | <u>\$ 1,257,895</u> | <u>\$ 791,077</u> | <u>\$ 741,548</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 nine months ended September 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 nine months ended September 30, 2024, the Group purchased domestic unlisted equity investments at \$280,000 thousand and purchased foreign listed shares at \$12,075 thousand for strategic investment purposes. The management designated the investment as at FVTOCI.

b. Investments in debt instruments at FVTOCI

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|-------------------------|-------------------------------|------------------------------|-------------------------------|
| <u>Current</u> | | | |
| Foreign corporate bonds | \$ 78,032 | \$ 106,665 | \$ 205,661 |
| | | | (Continued) |

| | <u>September 30,</u> <u>2024</u> | <u>December 31,</u> <u>2023</u> | <u>September 30,</u> <u>2023</u> |
|--------------------------|-------------------------------------|------------------------------------|-------------------------------------|
| <u>Non-current</u> | | | |
| Foreign corporate bonds | \$ 401,549 | \$ 362,195 | \$ 216,803 |
| Domestic corporate bonds | 49,446 | 49,738 | 49,814 |
| | <u>\$ 450,995</u> | <u>\$ 411,933</u> | <u>\$ 266,617</u> |
| | | | (Concluded) |

- 1) For the nine months ended September 30, 2024, the Group purchased foreign corporate bonds for \$98,699 thousand with a coupon rate of 2.125% ~ 5.75%.
- 2) In 2023, the Group purchased foreign corporate bonds for \$199,948 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 nine months ended September 30, 2024, the Group disposal value of foreign corporate bonds at maturity was \$113,203 thousand.

9. FINANCIAL ASSETS AT AMORTIZED COST

| | <u>September 30,</u> <u>2024</u> | <u>December 31,</u> <u>2023</u> | <u>September 30,</u> <u>2023</u> |
|------------------------------------------------------------------|-------------------------------------|------------------------------------|-------------------------------------|
| <u>Current</u> | | | |
| Domestic investments | | | |
| Time deposits with original maturities of more than 3 months (a) | \$ 1,268,300 | \$ 2,305,000 | \$ 1,796,300 |
| Pledged fixed deposits (b) | 833,438 | 828,690 | 825,249 |
| | <u>2,101,738</u> | <u>3,133,690</u> | <u>2,621,549</u> |
| Foreign investments | | | |
| Foreign corporate bonds (c) | 31,764 | - | - |
| | <u>\$ 2,133,502</u> | <u>\$ 3,133,690</u> | <u>\$ 2,621,549</u> |
| <u>Non-current</u> | | | |
| Foreign investments | | | |
| Foreign corporate bonds (c) | \$ - | \$ 30,870 | \$ 32,501 |

- a. The interest rates for time deposits with original maturities of more than 3 months ranged from 0.90%~1.80%, 0.56%~1.80% and 0.395%~1.575% per annum as of September 30, 2024, December 31 and September 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

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|-------------------------------------|-----------------------|----------------------|-----------------------|
| <u>Notes receivable</u> | | | |
| At amortized cost | | | |
| Gross carrying amount | \$ - | \$ - | \$ 109 |
| Less: Allowance for impairment loss | - | - | - |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 109</u> |
| <u>Trade receivables</u> | | | |
| At amortized cost | | | |
| Gross carrying amount | \$ 1,763,312 | \$ 1,614,048 | \$ 1,496,538 |
| Less: Allowance for impairment loss | (21,648) | (21,119) | (21,352) |
| | <u>\$ 1,741,664</u> | <u>\$ 1,592,929</u> | <u>\$ 1,475,186</u> |
| <u>Other receivables</u> | | | |
| Income tax refund receivable | \$ 213,885 | \$ 84,954 | \$ 177,507 |
| Interest receivables | 29,995 | 29,139 | 23,484 |
| Others | 20,852 | 2,781 | 4,731 |
| | <u>\$ 264,732</u> | <u>\$ 116,874</u> | <u>\$ 205,722</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 notes receivable and trade receivables based on the Group's provision matrix:

September 30, 2024

| | Not Past Due | Up to 60 Days | 61 to 90 Days | Over 90 Days | Total |
|--------------------------------|---------------------|--------------------------|----------------------|---------------------|---------------------|
| Expected credit loss rate | 0.79% | 25.90% | - | 95.21% | |
| Gross carrying amount | \$ 1,743,946 | \$ 15,215 | \$ - | \$ 4,151 | \$ 1,763,312 |
| Loss allowance (Lifetime ECLs) | (13,756) | (3,940) | - | (3,952) | (21,648) |
| Amortized cost | <u>\$ 1,730,190</u> | <u>\$ 11,275</u> | <u>\$ -</u> | <u>\$ 199</u> | <u>\$ 1,741,664</u> |

December 31, 2023

| | Not Past Due | Up to 60 Days | 61 to 90 Days | Over 90 Days | Total |
|--------------------------------|---------------------|--------------------------|----------------------|---------------------|---------------------|
| Expected credit loss rate | 0.94% | 2.69% | 29.87% | 100% | |
| 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> |

September 30, 2023

| | Not Past Due | Up to 60 Days | 61 to 90 Days | Over 90 Days | Total |
|--------------------------------|---------------------|--------------------------|----------------------|---------------------|---------------------|
| Expected credit loss rate | 1.02% | 11.82% | 100% | 100% | |
| Gross carrying amount | \$ 1,483,098 | \$ 8,286 | \$ 107 | \$ 5,156 | \$ 1,496,647 |
| Loss allowance (Lifetime ECLs) | (15,110) | (979) | (107) | (5,156) | (21,352) |
| Amortized cost | <u>\$ 1,467,988</u> | <u>\$ 7,307</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,475,295</u> |

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

| | Nine Months Ended September 30, 2024 | Nine Months Ended September 30, 2023 |
|------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Balance at January 1 | \$ 21,119 | \$ 21,338 |
| Plus: provision for expected credit loss | 504 | 292 |
| Less: amounts written off | - | (277) |
| Change in exchange rates or others | 25 | (1) |
| Balance at September 30 | <u>\$ 21,648</u> | <u>\$ 21,352</u> |

Compared with January 1, 2024, the total carrying amount of notes receivable and trade receivables as of September 30, 2024 increased by a net amount of \$149,264 thousand, and the loss allowance increased by \$529 thousand; compared with January 1, 2023, the total carrying amount of notes receivable and trade receivables as of September 30, 2023 increased by a net amount of \$ 248,759 thousand, and the loss allowance increased by \$ 14 thousand.

11. INVENTORIES

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|------------------|-------------------------------|------------------------------|-------------------------------|
| Finished goods | \$ 960,992 | \$ 723,718 | \$ 905,144 |
| Work in progress | 1,752,757 | 1,540,029 | 1,513,059 |
| Raw materials | 312,899 | 394,753 | 413,994 |
| Merchandise | 1,414 | 2,129 | 2,332 |
| | <u>\$ 3,028,062</u> | <u>\$ 2,660,629</u> | <u>\$ 2,834,529</u> |

Cost of goods sold is defined as follows:

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---------------------------------------------------------------------------------------|------------------------------------|---------------------|-----------------------------------|---------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Cost of inventories sold | \$ 3,106,909 | \$ 2,652,491 | \$ 8,609,893 | \$ 7,955,995 |
| Allowance for inventory valuation loss (reversal of write-down inventories) (a) | 33,295 | (110,022) | 56,693 | (94,898) |
| Impairment loss on prepayment for purchase | - | 114,772 | - | 178,142 |
| Others | (6,318) | (6,754) | (18,688) | (12,451) |
| | <u>\$ 3,133,886</u> | <u>\$ 2,650,487</u> | <u>\$ 8,647,898</u> | <u>\$ 8,026,788</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 (%) | | |
|-------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------|-----------------------|
| | | | September 30, 2024 | December 31, 2023 | September 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 | 64.00 |
| | Sync-Tech System Corp. | Design, manufacturing and maintenance of semiconductor consumables and testing equipment | 41.51 | 42.19 | 42.19 |
| | 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 |
| | CELEFIDE 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 | 72.66 |

(Continued)

| Investor | Investee | Main Business | Proportion of Ownership (%) | | |
|---------------------------|------------------------------|-------------------------------------------------------------|-----------------------------|-------------------|--------------------|
| | | | September 30, 2024 | December 31, 2023 | September 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 nine months ended September 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 September 30, 2024, December 31 and September 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 September 30, 2024, December 31 and September 30, 2023, the Group's shareholding ratio of Sync-Tech System Corp. was 41.51%, 42.19% and 42.19%, 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 | | |
|----------------------------|-----------------------------|-----------------------------------------------------------------------------|-------------------|--------------------|
| | | September 30, 2024 | December 31, 2023 | September 30, 2023 |
| Sensortek Technology Corp. | Taiwan | 53.94 % | 53.94 % | 53.94 % |
| Forcelead Technology Corp. | Taiwan | 38.99 % | 38.99 % | 36.00 % |
| Sync-Tech System Corp. | Taiwan | 58.49 % | 57.81 % | 57.81 % |

| Name of Subsidiary | Profit (Loss) Allocated to Non-controlling Interests | | | | Accumulated Non-controlling Interests | | |
|----------------------------|------------------------------------------------------|------------|--------------------------------|------------|---------------------------------------|-------------------|--------------------|
| | Three Months Ended September 30 | | Nine Months Ended September 30 | | September 30, 2024 | December 31, 2023 | September 30, 2023 |
| | 2024 | 2023 | 2024 | 2023 | | | |
| Sensortek Technology Corp. | \$ 54,992 | \$ 106,038 | \$ 229,910 | \$ 247,729 | \$ 2,245,151 | \$ 2,327,738 | \$ 2,217,048 |
| Forcelead Technology Corp. | 64,336 | 46,755 | 185,039 | 101,402 | 686,740 | 652,939 | 558,538 |
| Sync-Tech System Corp. | 21,200 | 22,036 | 69,057 | 36,052 | 558,029 | 490,089 | 459,544 |
| Others | (4,612) | (2,193) | (12,675) | (5,533) | 117,846 | 129,058 | 135,600 |
| Total | \$ 135,916 | \$ 172,636 | \$ 471,331 | \$ 379,650 | \$ 3,607,766 | \$ 3,599,824 | \$ 3,370,730 |

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:

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|-------------------------------------------|-------------------------------|------------------------------|-------------------------------|
| Current assets | \$ 7,174,258 | \$ 7,378,260 | \$ 6,856,145 |
| Non-current assets | 2,369,942 | 2,166,992 | 2,019,137 |
| Current liabilities | (2,202,693) | (2,290,029) | (1,993,081) |
| Non-current liabilities | (322,642) | (245,131) | (252,387) |
| Equity | <u>\$ 7,018,865</u> | <u>\$ 7,010,092</u> | <u>\$ 6,629,814</u> |
| Equity attributable to: | | | |
| Owners of the Company | \$ 3,452,895 | \$ 3,446,444 | \$ 3,301,415 |
| Non-controlling interests of subsidiaries | <u>3,565,970</u> | <u>3,563,648</u> | <u>3,328,399</u> |
| | <u>\$ 7,018,865</u> | <u>\$ 7,010,092</u> | <u>\$ 6,629,814</u> |

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---------------------------------------------------------------------------------------------------------|--------------------------------------------|---------------------|-------------------------------------------|---------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Revenue | <u>\$ 2,324,815</u> | <u>\$ 2,065,309</u> | <u>\$ 6,563,133</u> | <u>\$ 5,523,576</u> |
| Net income | \$ 302,974 | \$ 380,319 | \$ 1,026,126 | \$ 848,448 |
| Other comprehensive income (loss) | (26,266) | 22,006 | (4,599) | 70,235 |
| Total comprehensive income | <u>\$ 276,708</u> | <u>\$ 402,325</u> | <u>\$ 1,021,527</u> | <u>\$ 918,683</u> |
| Profit attributable to: | | | | |
| Owners of the Company | \$ 162,653 | \$ 198,495 | \$ 538,850 | \$ 456,710 |
| Non-controlling interests of the subsidiaries | <u>140,321</u> | <u>181,824</u> | <u>487,276</u> | <u>391,738</u> |
| | <u>\$ 302,974</u> | <u>\$ 380,319</u> | <u>\$ 1,026,126</u> | <u>\$ 848,448</u> |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | \$ 150,596 | \$ 208,533 | \$ 536,831 | \$ 488,944 |
| Non-controlling interests of the subsidiaries | <u>126,112</u> | <u>193,792</u> | <u>484,696</u> | <u>429,739</u> |
| | <u>\$ 276,708</u> | <u>\$ 402,325</u> | <u>\$ 1,021,527</u> | <u>\$ 918,683</u> |
| Net cash inflow (outflow) from: | | | | |
| Operating activities | | | \$ 756,643 | \$ 1,567,133 |
| Investing activities | | | 398,651 | (274,438) |
| Financing activities | | | (1,065,830) | (1,251,038) |
| Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies | | | <u>22,187</u> | <u>22,659</u> |
| Net cash inflow | | | <u>\$ 111,651</u> | <u>\$ 64,316</u> |
| Dividends paid to non-controlling interests | | | <u>\$ 499,725</u> | <u>\$ 570,802</u> |

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

| | | | September 30, 2024 | December 31, 2023 |
|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------------------------|----------------------|
| <u>Associates that are not individually material</u> | | | | |
| esGMeta Co.,Ltd. | | | \$ 5,443 | \$ 5,202 |
| | | | Proportion of Ownership Held and Voting Right | |
| Company name | Main business | Principal Place of Business | September 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 and Equipment Under Installation | 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 | - | 14,887 | 48,775 | 148,637 | 1,139 | - | 213,438 |
| Disposals | - | (1,010) | (5,024) | (69,290) | - | - | (75,324) |
| Reclassification | 22,903 | 69,072 | 13 | - | (13) | - | 91,975 |
| Acquired through business combinations | - | - | 50 | 381 | 244 | - | 675 |
| Effect of foreign currency exchange differences | - | 135 | 8 | 101 | 9 | 333 | 586 |
| Balance at September 30, 2023 | \$ 321,626 | \$ 1,060,213 | \$ 328,483 | \$ 985,128 | \$ 32,210 | \$ 210,968 | \$ 2,938,628 |

(Continued)

| | Freehold Land | Buildings | Machinery Equipment | Test Equipment | Office Equipment | Property Under Construction and Equipment Under Installation | Total |
|-------------------------------------------------|--------------------------|-------------------|--------------------------------|---------------------------|-----------------------------|---------------------------------------------------------------------------------------------|--------------------|
| <u>Accumulated depreciation</u> | | | | | | | |
| Balance at January1, 2023 | \$ - | \$ 216,018 | \$ 154,136 | \$ 519,443 | \$ 15,843 | \$ - | \$ 905,440 |
| Additions | - | 26,315 | 32,516 | 171,688 | 3,052 | - | 233,571 |
| Disposals | - | (1,010) | (5,006) | (69,290) | - | - | (75,306) |
| Reclassification | - | 8,568 | - | - | - | - | 8,568 |
| Acquired through business combinations | - | - | 39 | 221 | 155 | - | 415 |
| Effect of foreign currency exchange differences | - | 60 | 5 | 110 | 7 | - | 182 |
| Balance at September 30, 2023 | <u>\$ -</u> | <u>\$ 249,951</u> | <u>\$ 181,690</u> | <u>\$ 622,172</u> | <u>\$ 19,057</u> | <u>\$ -</u> | <u>\$1,072,870</u> |
| Carrying amount at September 30, 2023 | <u>\$ 321,626</u> | <u>\$ 810,262</u> | <u>\$ 146,793</u> | <u>\$ 362,956</u> | <u>\$ 13,153</u> | <u>\$ 210,968</u> | <u>\$1,865,758</u> |
| | | | | | | | (Concluded) |

| | Freehold Land | Buildings | Machinery Equipment | Test Equipment | Office Equipment | Property Under Construction and Equipment Under Installation | 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 | - | 13,488 | 53,348 | 231,469 | 2,219 | 84,246 | 384,770 |
| Disposals | - | (2,904) | (7,444) | (119,552) | (3,067) | - | (132,967) |
| Reclassification | 16,840 | 172,222 | (96) | (2,046) | 2,136 | (200,918) | (11,862) |
| Effect of foreign currency exchange differences | - | 8,005 | 181 | 2,965 | 281 | 906 | 12,338 |
| Balance at September 30, 2024 | <u>\$ 338,466</u> | <u>\$1,252,560</u> | <u>\$ 385,046</u> | <u>\$1,152,387</u> | <u>\$ 34,213</u> | <u>\$ 88,657</u> | <u>\$3,251,329</u> |
| <u>Accumulated depreciation</u> | | | | | | | |
| Balance at January1, 2024 | \$ - | \$ 258,586 | \$ 193,284 | \$ 659,208 | \$ 20,038 | \$ - | \$1,131,116 |
| Additions | - | 29,184 | 40,214 | 180,968 | 3,447 | - | 253,813 |
| Disposals | - | (2,904) | (7,441) | (119,552) | (3,067) | - | (132,964) |
| Reclassification | - | 690 | - | - | - | - | 690 |
| Effect of foreign currency exchange differences | - | 1,025 | 129 | 2,794 | 187 | - | 4,135 |
| Balance at September 30, 2024 | <u>\$ -</u> | <u>\$ 286,581</u> | <u>\$ 226,186</u> | <u>\$ 723,418</u> | <u>\$ 20,605</u> | <u>\$ -</u> | <u>\$1,256,790</u> |
| Carrying amount at September 30, 2024 | <u>\$ 338,466</u> | <u>\$ 965,979</u> | <u>\$ 158,860</u> | <u>\$ 428,969</u> | <u>\$ 13,608</u> | <u>\$ 88,657</u> | <u>\$1,994,539</u> |
| Carrying amount at December 31, 2023 and January 1, 2024 | <u>\$ 321,626</u> | <u>\$ 803,163</u> | <u>\$ 145,773</u> | <u>\$ 380,343</u> | <u>\$ 12,606</u> | <u>\$ 204,423</u> | <u>\$1,867,934</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

2~6 years

Test equipment

1~6 years

Office equipment

3~6 years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|---------------------------------------------|--------------------------------------------|-------------------------------------------|-----------------------|
| <u>Carrying amount</u> | | | |
| Buildings | \$ 129,556 | \$ 86,355 | \$ 91,823 |
| Land | 103,266 | 52,160 | 52,843 |
| Office equipment | 5,140 | 7,993 | 7,507 |
| Machinery equipment | 6,874 | 241 | 265 |
| | <u>\$ 244,836</u> | <u>\$ 146,749</u> | <u>\$ 152,438</u> |
| | | | |
| | Three Months Ended September 30 | Nine Months Ended September 30 | |
| | 2024 | 2023 | 2024 |
| | | | 2023 |
| Additions to right-of-use assets | | | \$145,267 |
| Depreciation charge for right-of-use assets | | | \$ 61,706 |
| Buildings | \$ 13,975 | \$ 10,743 | \$ 39,661 |
| Land | 513 | 683 | 914 |
| Office equipment | 1,030 | 1,193 | 3,432 |
| Machinery equipment | 404 | 24 | 958 |
| | <u>\$ 15,922</u> | <u>\$ 12,643</u> | <u>\$ 44,965</u> |
| | | | <u>\$ 38,047</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 nine months ended September 30, 2024 and 2023.

b. Lease liabilities

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|------------------------|-----------------------|----------------------|-----------------------|
| <u>Carrying amount</u> | | | |
| Current | \$ 59,265 | \$ 46,884 | \$ 46,839 |
| Non-current | \$ 173,154 | \$ 104,905 | \$ 110,234 |

Range of discount rates for lease liabilities was as follows:

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|---------------------|-----------------------|----------------------|-----------------------|
| Buildings | 1.345%~4.750% | 1.250%~4.750% | 1.250%~4.750% |
| Land | 1.700% | 1.700% | 1.700% |
| Office equipment | 1.345%~2.305% | 1.250%~2.225% | 1.345%~2.225% |
| 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 2~52 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.

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---------------------------------------------|----------------------------------------|-------------|---------------------------------------|-------------|
| | 2024 | 2023 | 2024 | 2023 |
| Expenses relating to short-term leases | \$ 1,322 | \$ 1,105 | \$ 3,624 | \$ 3,343 |
| Expenses relating to low-value asset leases | \$ 51 | \$ 48 | \$ 144 | \$ 136 |
| Total cash outflow for leases | | | \$ 49,369 | \$ 43,016 |

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 September 30, 2023 | <u>\$ 222,363</u> | <u>\$ 472,458</u> | <u>\$ 694,821</u> |
| <u>Accumulated depreciation</u> | | | |
| Balance at January 1, 2023 | \$ - | \$ 56,290 | \$ 56,290 |
| Additions | - | 7,161 | 7,161 |
| Reclassification | - | (8,568) | (8,568) |
| Balance at September 30, 2023 | <u>\$ -</u> | <u>\$ 54,883</u> | <u>\$ 54,883</u> |
| Carrying amount at September 30, 2023 | <u>\$ 222,363</u> | <u>\$ 417,575</u> | <u>\$ 639,938</u> |
| <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 | - | 3,669 | 3,669 |
| Balance at September 30, 2024 | <u>\$ 205,523</u> | <u>\$ 497,675</u> | <u>\$ 703,198</u> |

(Continued)

| | <u>Land</u> | <u>Buildings</u> | <u>Total</u> |
|----------------------------------------------------------|-------------------|-------------------|-------------------|
| <u>Accumulated depreciation</u> | | | |
| Balance at January 1, 2024 | \$ - | \$ 57,232 | \$ 57,232 |
| Additions | - | 7,727 | 7,727 |
| Reclassification | - | (690) | (690) |
| Effect of foreign currency exchange differences | - | 15 | 15 |
| Balance at September 30, 2024 | <u>\$ -</u> | <u>\$ 64,284</u> | <u>\$ 64,284</u> |
| Carrying amount at September 30, 2024 | <u>\$ 205,523</u> | <u>\$ 433,391</u> | <u>\$ 638,914</u> |
| Carrying amount at December 31, 2023 and January 1, 2024 | <u>\$ 222,363</u> | <u>\$ 415,226</u> | <u>\$ 637,589</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>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|---------------|-------------------------------|------------------------------|-------------------------------|
| Within 1 year | \$ 21,907 | \$ 18,877 | \$ 19,026 |
| Years 1~5 | 15,088 | 25,767 | 30,125 |
| | <u>\$ 36,995</u> | <u>\$ 44,644</u> | <u>\$ 49,151</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 September 30, 2024.

| | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|------------|-------------------------------|------------------------------|-------------------------------|
| Fair value | <u>\$ 799,546</u> | <u>\$ 788,574</u> | <u>\$ 779,762</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 | 7,629 | 104,316 | - | 111,945 |
| Disposals | (1,651) | (8,424) | - | (10,075) |
| Acquired through business combinations | 8,800 | - | 39,661 | 48,461 |
| Effect of foreign currency exchange differences | - | 9 | - | 9 |
| Balance at September 30, 2023 | <u>\$ 155,689</u> | <u>\$ 297,693</u> | <u>\$ 40,161</u> | <u>\$ 493,543</u> |
| <u>Accumulated amortization</u> | | | | |
| Balance at January 1, 2023 | \$ 132,356 | \$ 133,928 | \$ 21 | \$ 266,305 |
| Additions | 6,935 | 43,635 | 1,401 | 51,971 |
| Disposals | (1,651) | (8,424) | - | (10,075) |
| Acquired through business combinations | 2,635 | - | 4,225 | 6,860 |
| Effect of foreign currency exchange differences | - | 7 | - | 7 |
| Balance at September 30, 2023 | <u>\$ 140,275</u> | <u>\$ 169,146</u> | <u>\$ 5,647</u> | <u>\$ 315,068</u> |
| Carrying amount at September 30, 2023 | <u>\$ 15,414</u> | <u>\$ 128,547</u> | <u>\$ 34,514</u> | <u>\$ 178,475</u> |
| <u>Cost</u> | | | | |
| Balance at January 1, 2024 | \$ 161,705 | \$ 321,978 | \$ 40,161 | \$ 523,844 |
| Additions | 21,058 | 59,643 | - | 80,701 |
| Disposals | (2,428) | (5,739) | - | (8,167) |
| Effect of foreign currency exchange differences | - | 258 | - | 258 |
| Balance at September 30, 2024 | <u>\$ 180,335</u> | <u>\$ 376,140</u> | <u>\$ 40,161</u> | <u>\$ 596,636</u> |
| <u>Accumulated amortization</u> | | | | |
| Balance at January 1, 2024 | \$ 134,924 | \$ 186,284 | \$ 6,923 | \$ 328,131 |
| Additions | 12,068 | 59,957 | 3,829 | 75,854 |
| Disposals | (2,428) | (5,739) | - | (8,167) |
| Effect of foreign currency exchange differences | - | 153 | - | 153 |
| Balance at September 30, 2024 | <u>\$ 144,564</u> | <u>\$ 240,655</u> | <u>\$ 10,752</u> | <u>\$ 395,971</u> |
| Carrying amount at September 30, 2024 | <u>\$ 35,771</u> | <u>\$ 135,485</u> | <u>\$ 29,409</u> | <u>\$ 200,665</u> |
| Carrying amount at December 31, 2023 and January 1, 2024 | <u>\$ 26,781</u> | <u>\$ 135,694</u> | <u>\$ 33,238</u> | <u>\$ 195,713</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

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|-------------------------------------------|-----------------------|----------------------|-----------------------|
| <u>Prepayments</u> | | | |
| Input tax and offset against business tax | \$ 104,333 | \$ 102,881 | \$ 32,641 |
| Prepaid probe cards | 55,126 | 52,795 | 39,553 |
| Prepayments | 25,571 | 23,559 | 22,168 |
| Prepayment for purchase | 3,988 | 5,154 | 5,154 |
| Others | 9,083 | 7,264 | 7,312 |
| | <u>\$ 198,101</u> | <u>\$ 191,653</u> | <u>\$ 106,828</u> |
| <u>Other current assets</u> | | | |
| Provisional payments | \$ 9,825 | \$ 5,142 | \$ 29,274 |
| Others | 10,031 | 7,773 | 7,824 |
| | <u>\$ 19,856</u> | <u>\$ 12,915</u> | <u>\$ 37,098</u> |
| <u>Other non-current assets</u> | | | |
| Prepayments for buildings | \$ 182,830 | \$ 121,870 | \$ 93,740 |
| Refundable deposits | 77,848 | 521,497 | 546,044 |
| Prepayments for equipment | 36,346 | 35,864 | 34,273 |
| | <u>\$ 297,024</u> | <u>\$ 679,231</u> | <u>\$ 674,057</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

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|-----------------------------|-----------------------|----------------------|-----------------------|
| <u>Unsecured borrowings</u> | | | |
| Bank loans | <u>\$ 172,750</u> | <u>\$ -</u> | <u>\$ -</u> |

The range of weighted average effective interest rates on bank loans was 3.35%~5.40% as of September 30, 2024.

20. OTHER LIABILITIES

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|-----------------------------------|-------------------------------|------------------------------|-------------------------------|
| <u>Current</u> | | | |
| Other payables | | | |
| Payables for salaries and bonuses | \$ 1,141,556 | \$ 1,031,478 | \$ 1,323,242 |
| Payables for equipment | 120,323 | 38,782 | 33,769 |
| Payables for research | 47,847 | 45,691 | 36,882 |
| Others | 357,380 | 357,765 | 335,898 |
| | <u>\$ 1,667,106</u> | <u>\$ 1,473,716</u> | <u>\$ 1,729,791</u> |
| Other current liabilities | | | |
| Contract liabilities | \$ 60,193 | \$ 97,482 | \$ 107,828 |
| Temporary receipts | 33,606 | 7,804 | 17,830 |
| Others | 13,315 | 12,605 | 12,311 |
| Guarantee deposits received | - | 30,705 | - |
| | <u>\$ 107,114</u> | <u>\$ 148,616</u> | <u>\$ 137,969</u> |
| <u>Non-current</u> | | | |
| Other non-current liabilities | | | |
| Guarantee deposits received | \$ 177,125 | \$ 257,283 | \$ 269,901 |
| Decommissioning liabilities | 24,239 | 10,514 | 10,495 |
| | <u>\$ 201,364</u> | <u>\$ 267,797</u> | <u>\$ 280,396</u> |

21. RETIREMENT BENEFIT PLANS

Defined benefit plan expenses for the three months and nine months ended September 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 \$75 thousand, \$97 thousand, \$226 thousand and \$293 thousand, respectively.

22. EQUITY**a. Share capital**

| | September 30, 2024 | December 31, 2023 | September 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

| | September 30, 2024 | December 31, 2023 | September 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 |
| Conversion of bonds | 335,041 | 335,041 | 335,041 |
| Treasury share transactions | 17,604 | 14,255 | 14,255 |
| 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 | 970,313 | 967,309 | 967,007 |
| Changes in the net equity of share of associates | 186 | - | - |
| | <u>\$ 1,845,988</u> | <u>\$ 1,839,449</u> | <u>\$ 1,718,298</u> |

- 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:

| | Years Ended December 31 | |
|---------------------------------|--------------------------------|--------------|
| | 2023 | 2022 |
| Legal reserve | \$ 186,117 | \$ 363,285 |
| 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

| | Nine Months Ended September 30 | |
|------------------------------------------|---------------------------------------|-------------|
| | 2024 | 2023 |
| Balance at January 1 | \$ 288,225 | \$ 105,464 |
| (Reversals) Appropriations in respect of | | |
| Debits to other equity items | (211,838) | 182,761 |
| Balance at September 30 | \$ 76,387 | \$ 288,225 |

e. Other equity items

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

| | Nine Months Ended September 30 | |
|--------------------------------------------------------------------------|---------------------------------------|------------------|
| | 2024 | 2023 |
| Balance at January 1 | (\$ 2,758) | \$ 9,186 |
| Exchange differences on translating the net assets of foreign operations | 34,930 | 11,854 |
| Balance at September 30 | <u>\$ 32,172</u> | <u>\$ 21,040</u> |

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

| | Nine Months Ended September 30 | |
|----------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------|
| | 2024 | 2023 |
| Balance at January 1 | (\$ 73,630) | (\$ 290,948) |
| Recognized for the period | | |
| Unrealized (loss) gain - debt instruments | 12,220 | 6,911 |
| Unrealized (loss) gain - equity instruments | 170,650 | 122,552 |
| Cumulative unrealized (gain) loss of equity instruments transferred to retained earnings due to disposal | (1,817) | - |
| Balance at September 30 | <u>\$ 107,423</u> | <u>(\$ 161,485)</u> |

f. Non-controlling interests

| | Nine Months Ended September 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 | 471,331 | 379,650 |
| Exchange difference on translating the financial statements of foreign operations | 2,263 | 89 |
| Financial assets at FVTOCI | 13,599 | 4,990 |
| Adjustment of capital surplus due to dividends distributed to subsidiaries | 3,923 | 7,191 |
| Cash dividends distributed by subsidiaries | (500,525) | (572,287) |
| Subsidiary share-based payment transaction | 1,815 | 7,580 |
| Non-controlling interests arising from acquisition of subsidiaries (Note 28) | - | 25,312 |
| The net assets of the subsidiary transferred in non-controlling interests (Note 29) | 15,536 | 175,286 |
| Balance at September 30 | <u>\$ 3,607,766</u> | <u>\$ 3,370,730</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 September 30, 2024 | <u>606,000</u> |
| Number of shares at January 1 and September 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>September 30, 2024</u> | | | |
| Sensortek Technology Corp. | 606,000 | \$ 138,471 | \$ 138,471 |
| <u>December 31, 2023</u> | | | |
| Sensortek Technology Corp. | 606,000 | \$ 168,468 | \$ 168,468 |
| <u>September 30, 2023</u> | | | |
| Sensortek Technology Corp. | 606,000 | \$ 168,771 | \$ 168,771 |

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

23. REVENUE

a. Disaggregation of revenue

| <u>Product</u> | <u>Three Months Ended September 30</u> | | <u>Nine Months Ended September 30</u> | |
|---------------------|----------------------------------------|---------------------|---------------------------------------|----------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Integrated circuits | \$ 4,489,572 | \$ 4,069,020 | \$ 12,640,887 | \$ 11,864,927 |
| Others | 193,767 | 132,528 | 568,755 | 346,800 |
| | <u>\$ 4,683,339</u> | <u>\$ 4,201,548</u> | <u>\$ 13,209,642</u> | <u>\$ 12,211,727</u> |

| <u>Primary geographical markets</u> | <u>Three Months Ended September 30</u> | | <u>Nine Months Ended September 30</u> | |
|-------------------------------------|----------------------------------------|--------------|---------------------------------------|--------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Hong Kong | \$ 3,550,316 | \$ 3,352,392 | \$ 9,982,388 | \$ 9,923,676 |
| Vietnam | 357,413 | 226,130 | 1,021,018 | 668,694 |
| Taiwan | 303,710 | 219,403 | 810,044 | 607,131 |

(Continued)

| Primary geographical markets | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|-------------------------------------|--------------------------------------------|---------------------|-------------------------------------------|----------------------|
| | 2024 | 2023 | 2024 | 2023 |
| South Korea | \$ 125,020 | \$ 154,954 | \$ 514,610 | \$ 342,331 |
| China | 220,457 | 110,363 | 484,827 | 289,174 |
| Others | 126,423 | 138,306 | 396,755 | 380,721 |
| | <u>\$ 4,683,339</u> | <u>\$ 4,201,548</u> | <u>\$13,209,642</u> | <u>\$ 12,211,727</u> |
| | | | | (Concluded) |

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

| | September 30, 2024 | December 31, 2023 | September 30, 2023 | January 1, 2023 |
|-----------------------------------------------------|-------------------------------|------------------------------|-------------------------------|----------------------------|
| Notes receivable and trade receivables (Note 10) | \$ 1,741,664 | \$ 1,592,929 | \$ 1,475,186 | \$ 1,226,520 |
| Trade receivable from related parties (Note 33) | - | 1,782 | - | 1,469 |
| | <u>\$ 1,741,664</u> | <u>\$ 1,594,711</u> | <u>\$ 1,475,186</u> | <u>\$ 1,227,989</u> |
| Contract liabilities - current (Note 20) | | | | |
| Sales of goods | <u>\$ 60,193</u> | <u>\$ 97,482</u> | <u>\$ 107,828</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:

| | Nine Months Ended September 30 | |
|-----------------------------------------------------------|-------------------------------------------|-------------------|
| | 2024 | 2023 |
| <u>From contract liabilities at the start of the year</u> | | |
| Sales of goods | <u>\$ 93,794</u> | <u>\$ 118,379</u> |

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

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|------------------------------------------------------------------------|------------------------------------|---------------|-----------------------------------|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| Gain on sublease of right-of-use assets | \$ 328 | \$ 287 | \$ 925 | \$ 862 |
| Gain on modification of lease agreements | 90 | 9 | 90 | 9 |
| Gain (loss) on disposal and scrapping of property, plant and equipment | 18,240 | - | 18,285 | (18) |
| | <u>\$ 18,658</u> | <u>\$ 296</u> | <u>\$ 19,300</u> | <u>\$ 853</u> |

b. Interest income

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|-------------------------------------------|------------------------------------|------------------|-----------------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Financial assets at amortized cost | \$ 33,447 | \$ 29,701 | \$ 109,481 | \$ 95,267 |
| Financial asset at FVTPL | 3,064 | 2,935 | 8,839 | 9,069 |
| Investments in debt instruments at FVTOCI | 5,816 | 4,159 | 16,161 | 11,166 |
| Others | 128 | 13 | 251 | 93 |
| | <u>\$ 42,455</u> | <u>\$ 36,808</u> | <u>\$ 134,732</u> | <u>\$ 115,595</u> |

c. Other income

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|--------------------------|------------------------------------|------------------|-----------------------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Rental income | \$ 7,119 | \$ 6,705 | \$ 21,428 | \$ 20,206 |
| Dividend income | 19,009 | 16,700 | 34,354 | 30,725 |
| Government grants income | 4,118 | 8,739 | 9,329 | 11,248 |
| Others | 1,999 | 1,689 | 17,514 | 12,112 |
| | <u>\$ 32,245</u> | <u>\$ 33,833</u> | <u>\$ 82,625</u> | <u>\$ 74,291</u> |

d. Other gains and losses

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|--------------------------------------------------------|------------------------------------|-----------|-----------------------------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| Net foreign exchange gains | \$ 1,892 | \$ 43,309 | \$ 45,738 | \$ 66,118 |
| (Loss) gain on financial assets designated as at FVTPL | (12,874) | 19,380 | 23,504 | 49,882 |
| Gain on disposal of financial instruments | - | - | 1,473 | - |

(Continued)

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|-------------------------------------|------------------------------------|------------------|-----------------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Depreciation of investment property | (\$ 2,527) | (\$ 2,350) | (\$ 7,727) | (\$ 7,161) |
| Other losses | (9) | (146) | (91) | (146) |
| | <u>(\$ 13,518)</u> | <u>\$ 60,193</u> | <u>\$ 62,897</u> | <u>\$ 108,693</u> |
| | | | | (Concluded) |

e. Finance costs

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|-------------------------------|------------------------------------|-----------------|-----------------------------------|-----------------|
| | 2024 | 2023 | 2024 | 2023 |
| Interest on loans | \$ 3,728 | \$ 622 | \$ 6,699 | \$ 658 |
| Interest on lease liabilities | 2,764 | 737 | 4,436 | 2,297 |
| Other interest expenses | 389 | 258 | 1,195 | 336 |
| | <u>\$ 6,881</u> | <u>\$ 1,617</u> | <u>\$ 12,330</u> | <u>\$ 3,291</u> |

f. Depreciation and amortization

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|-----------------------------------------|------------------------------------|-------------------|-----------------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Property, plant and equipment | \$ 88,105 | \$ 78,104 | \$ 253,813 | \$ 233,571 |
| Investment properties | 2,527 | 2,350 | 7,727 | 7,161 |
| Right-of-use assets | 14,957 | 12,643 | 44,965 | 38,047 |
| Intangible assets | 26,651 | 21,471 | 75,854 | 51,971 |
| | <u>\$ 132,240</u> | <u>\$ 114,568</u> | <u>\$ 382,359</u> | <u>\$ 330,750</u> |
| An analysis of depreciation by function | | | | |
| Operating expenses | \$ 83,319 | \$ 73,800 | \$ 239,382 | \$ 222,884 |
| Operating costs | 19,743 | 16,947 | 59,396 | 48,734 |
| Depreciation of investment property | 2,527 | 2,350 | 7,727 | 7,161 |
| | <u>\$ 105,589</u> | <u>\$ 93,097</u> | <u>\$ 306,505</u> | <u>\$ 278,779</u> |
| An analysis of amortization by function | | | | |
| Operating expenses | \$ 26,561 | \$ 21,458 | \$ 75,693 | \$ 51,864 |
| Operating costs | 90 | 13 | 161 | 107 |
| | <u>\$ 26,651</u> | <u>\$ 21,471</u> | <u>\$ 75,854</u> | <u>\$ 51,971</u> |

g. Employee benefits expense

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---------------------------------------------------------|------------------------------------|-------------------|-----------------------------------|---------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Short-term benefits | \$ 686,403 | \$ 653,298 | \$ 2,008,093 | \$ 1,799,307 |
| Post-employment benefits | | | | |
| Defined contribution plans | 17,330 | 15,903 | 50,903 | 46,374 |
| Defined benefit plans (Note 21) | 75 | 98 | 226 | 297 |
| Share-based payments | 1,815 | - | 1,815 | 7,580 |
| | <u>\$ 705,623</u> | <u>\$ 669,299</u> | <u>\$ 2,061,037</u> | <u>\$ 1,853,558</u> |
| An analysis of employee benefits expense by function | | | | |
| Operating expenses | \$ 627,015 | \$ 598,031 | \$ 1,829,484 | \$ 1,660,284 |
| Operating costs | 78,608 | 71,268 | 231,553 | 193,274 |
| | <u>\$ 705,623</u> | <u>\$ 669,299</u> | <u>\$ 2,061,037</u> | <u>\$ 1,853,558</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 months and nine months ended September 30, 2024 and 2023, respectively, are as follows:

Amount

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---------------------------|------------------------------------|-----------|-----------------------------------|------------|
| | 2024 | 2023 | 2024 | 2023 |
| Employees' compensation | \$ 41,714 | \$ 47,383 | \$ 128,044 | \$ 126,839 |
| Remuneration of directors | \$ 6,258 | \$ 7,108 | \$ 19,207 | \$ 19,026 |

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

| | Years 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

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|-------------------------|--------------------------------------------|------------------|-------------------------------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Foreign exchange gains | \$ 111,126 | \$ 148,251 | \$ 273,459 | \$ 278,413 |
| Foreign exchange losses | (109,234) | (104,942) | (227,721) | (212,295) |
| Net benefit | <u>\$ 1,892</u> | <u>\$ 43,309</u> | <u>\$ 45,738</u> | <u>\$ 66,118</u> |

25. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|-------------------------------------------------|--------------------------------------------|-------------------|-------------------------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Current tax | | | | |
| In respect of the current period | \$ 109,458 | \$ 108,387 | \$ 327,032 | \$ 304,384 |
| Income tax on unappropriated earnings | - | 1,057 | - | 1,940 |
| Adjustments for prior years | - | - | (5,468) | (5,340) |
| | <u>109,458</u> | <u>109,444</u> | <u>321,564</u> | <u>300,984</u> |
| Deferred tax | | | | |
| In respect of the current period | (7,769) | 4,213 | (11,044) | 8,333 |
| Income tax expense recognized in profit or loss | <u>\$ 101,689</u> | <u>\$ 113,657</u> | <u>\$ 310,520</u> | <u>\$ 309,317</u> |

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 | | | |
|----------------------------|----------------------------------------|----------------|---------------------------------------|-----------------|
| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
| | 2024 | 2023 | 2024 | 2023 |
| Basic earnings per share | <u>\$ 3.87</u> | <u>\$ 4.51</u> | <u>\$ 11.92</u> | <u>\$ 11.92</u> |
| Diluted earnings per share | <u>\$ 3.85</u> | <u>\$ 4.49</u> | <u>\$ 11.85</u> | <u>\$ 11.83</u> |

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

Net income

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|----------------------------------------------------------------|--------------------------------------------|-------------|-------------------------------------------|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| Net income for the period | \$ 463,493 | \$ 539,978 | \$ 1,428,180 | \$ 1,428,168 |
| Earnings used in the computation of basic earnings per share | 463,493 | 539,978 | 1,428,180 | 1,428,168 |
| Effect of potentially dilutive ordinary shares: | | | | |
| Employees' compensation | - | - | - | - |
| Earnings used in the computation of diluted earnings per share | \$ 463,493 | \$ 539,978 | \$ 1,428,180 | \$ 1,428,168 |

Shares**Unit: in thousands of shares**

| | Three Months Ended September 30 | | Nine Months Ended September 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 | 560 | 455 | 695 | 837 |
| Weighted average number of ordinary shares used in the computation of dilutive earnings per share | 120,418 | 120,313 | 120,553 | 120,695 |

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 restricted stock of Forcelead Technology Corp.**

On September 18, 2024, the extraordinary general meeting of Forcelead Technology Corp. approved to issue for free of charge 500 thousand shares of restricted stock for employees, with a par value of \$10, according to the issuance plan, Forcelead Technology Corp. may issue the restricted stock for employees either all at once or in several installments, depending on the actual needs, within two years from the effective date of the notice of issuance. The resolution was also filed to the Securities and Futures Bureau, FSC of the ROC and enforced on October 9, 2024. On October 30, 2024, the board of directors of Forcelead Technology Corp. approved to issue of \$293 thousand shares of the restricted stock for employees, the actual issue date and related matters shall be handled by the chairman of the board, as authorized by the board of directors, in accordance with relevant laws and regulations and based on the actual situation. The grant date for the aforementioned through the restricted stock options for employees and the record date for the capital increase were both set for October 30, 2024.

b. 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:

| 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.

c. 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:

| Year Ended December 31, 2023 | 2020-Year Share Option Plan | |
|-------------------------------------|------------------------------------------------|-------------------------------------------------------|
| | Number of Shares (In Thousands) | Weighted-average Exercise Price (NT\$) |
| 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 | 6 years |
| 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.

d. Issuance of shares from cash capital increase reserved for employees' subscription of Sync-Tech System Corp.

The board of directors of Sync-Tech System Corp. decided to increase the capital in cash on September 12, 2024, and reserved 250 thousand shares for employees' subscription. The grant date of the shares is September 23, 2024.

The Black-Scholes pricing model was used to calculate the fair value of the shares; the input values used in the option pricing model are as follows:

| | September 2024 |
|---------------------------------------------|-----------------------|
| Measurement date share price (NT\$) | \$ 150.00 |
| Exercise price (NT\$) | \$ 150.00 |
| Expected volatility rate | 35.96% |
| Option life | 0.112 years |
| Dividend yield | - |
| Risk-free interest rate | 1.24% |
| Expected fair value of share options (NT\$) | \$ 7.26 |

Compensation costs recognized a provisional estimate that are related to the Group's issuance of shares from the cash capital increase reserved for employees, subscription amounted to \$1,815 thousand in the third quarter of 2024.

Compensation cost recognized in the consolidated financial statements of the Group as of September 30, 2024 was estimated by preliminary fair value assessment. The Group has sought independent appraisal based on the fair value assessment model, but no conclusion has been reached as of the date the financial statement was issued, there may be adjustments when the evaluation report is formally issued in the future.

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 | \$ 7,074 |

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) |
| | (\$ 1,157) |

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 21, 2024, the Group's shareholding percentage decreased from 42.19% to 41.51%.

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.

Nine Months Ended September 30, 2024

| | Sync-Tech System Corp. | Forcelead Technology Corp. |
|-----------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------------------|
| Cash consideration received | \$ 627 | \$ 3,775 |
| Non-cash transaction | 15,953 | - |
| The proportionate share of the carrying amount of the net assets of the subsidiary transferred in non-controlling interests | (15,879) | (1,472) |
| Differences recognized from equity transactions | <u>\$ 701</u> | <u>\$ 2,303</u> |

Line items adjusted for equity transactions

| | | |
|--------------------------------------------------------------------------------|---------------|-----------------|
| Capital surplus - changes in percentage of ownership interests in subsidiaries | <u>\$ 701</u> | <u>\$ 2,303</u> |
|--------------------------------------------------------------------------------|---------------|-----------------|

Nine Months Ended September 30, 2023

| | Sync-Tech System Corp. | Forcelead Technology Corp. | Seer Microelectronics, Inc. |
|-----------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------------------|--------------------------------------------|
| Cash consideration received | \$ 910 | \$ 58,092 | \$ 5,000 |
| Non-cash transaction | 12,191 | 128,090 | - |
| The proportionate share of the carrying amount of the net assets of the subsidiary transferred in non-controlling interests | (12,656) | (159,300) | (10,910) |
| Differences recognized from equity transactions | <u>\$ 445</u> | <u>\$ 26,882</u> | <u>(\$ 5,910)</u> |

Line items adjusted for equity transactions

| | | | |
|--------------------------------------------------------------------------------|---------------|------------------|--------------------|
| Capital surplus - changes in percentage of ownership interests in subsidiaries | <u>\$ 445</u> | <u>\$ 26,882</u> | <u>(\$ 5,910)</u> |
|--------------------------------------------------------------------------------|---------------|------------------|--------------------|

30. CASH FLOW INFORMATION

a. Changes in liabilities arising from financing activities

Nine Months Ended September 30, 2024

| | January 1, 2024 | Cash Flows | Foreign Exchange Movement | New Leases | Lease Modification | September 30, 2024 |
|-----------------------------|--------------------|------------------|---------------------------------|-------------------|-----------------------|-----------------------|
| Short-term borrowings | \$ - | \$ 172,220 | \$ 530 | \$ - | \$ - | \$ 172,750 |
| Lease liabilities | 151,789 | (41,165) | 970 | 122,996 | (2,171) | 232,419 |
| Guarantee deposits received | 287,988 | (110,093) | (770) | - | - | 177,125 |
| | <u>\$ 439,777</u> | <u>\$ 20,962</u> | <u>\$ 730</u> | <u>\$ 122,996</u> | <u>(\$ 2,171)</u> | <u>\$ 582,294</u> |

Nine Months Ended September 30, 2023

| | January 1, 2023 | Cash Flows | Foreign Exchange Movement | New Leases | Lease Modification | Acquired through combination | September 30, 2023 |
|-----------------------------|--------------------|----------------------|---------------------------------|------------------|-----------------------|------------------------------------|-----------------------|
| Short-term borrowings | \$ 18,119 | (\$ 38,045) | (\$ 74) | \$ - | \$ - | \$ 20,000 | \$ - |
| Bonds payable | - | (9,000) | - | - | - | 9,000 | - |
| Lease liabilities | 132,914 | (37,240) | 25 | 61,213 | (354) | 515 | 157,073 |
| Guarantee deposits received | 352,371 | (89,021) | 6,551 | - | - | - | 269,901 |
| | <u>\$ 503,404</u> | <u>(\$ 173,306)</u> | <u>\$ 6,502</u> | <u>\$ 61,213</u> | <u>(\$ 354)</u> | <u>\$ 29,515</u> | <u>\$ 426,974</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

September 30, 2024

| | Level 1 | Level 2 | Level 3 | Total |
|------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| <u>Financial assets at FVTPL</u> | | | | |
| Domestic corporate funds | \$ 85,956 | \$ - | \$ - | \$ 85,956 |
| Convertible bonds | 122,149 | - | - | 122,149 |
| Exchangeable bonds | 41,480 | - | - | 41,480 |
| Domestic listed shares | 665 | - | - | 665 |
| Limited partnership | - | - | 153,968 | 153,968 |
| Derivative instruments | | | | |
| Credit linked notes - linked with convertible bonds | - | 215,232 | - | 215,232 |
| Foreign exchange forward contracts and foreign exchange swap contracts | - | 13,389 | - | 13,389 |
| | <u>\$ 250,250</u> | <u>\$ 228,621</u> | <u>\$ 153,968</u> | <u>\$ 632,839</u> |

(Continued)

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|---------------------------------------------|-------------------|-------------------|--------------------|--------------------|
| <u>Financial assets at FVTOCI</u> | | | | |
| Investments in equity instruments at FVTOCI | | | | |
| Domestic listed shares | \$ 543,725 | \$ - | \$ - | \$ 543,725 |
| Foreign listed shares | 11,772 | - | - | 11,772 |
| Domestic unlisted equity investments | - | - | 527,090 | 527,090 |
| Foreign unlisted equity investments | - | - | 730,805 | 730,805 |
| Investments in debt instruments at FVTOCI | | | | |
| Domestic corporate bonds | - | 49,446 | - | 49,446 |
| Foreign corporate bonds | - | 479,581 | - | 479,581 |
| | <u>\$ 555,497</u> | <u>\$ 529,027</u> | <u>\$1,257,895</u> | <u>\$2,342,419</u> |

Financial liabilities at FVTPL

| | | | | |
|------------------------------------------------------------------------|------|----------|------|-------------|
| Derivative instruments | | | | |
| Foreign exchange forward contracts and foreign exchange swap contracts | \$ - | \$ 5,222 | \$ - | \$ 5,222 |
| | | | | (Concluded) |

December 31, 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 | \$ 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> |

Financial assets at FVTOCI

| | | | | |
|---------------------------------------------|------------|------|---------|-------------|
| 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 |
| | | | | (Continued) |

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|-------------------------------------------|-------------------|-------------------|-------------------|--------------------|
| 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> |

Financial liabilities at FVTPL

| | | | | |
|------------------------------------------------------------------------|------|-----------|------|-------------|
| Derivative instruments | | | | |
| Foreign exchange forward contracts and foreign exchange swap contracts | \$ - | \$ 27,793 | \$ - | \$ 27,793 |
| | | | | (Concluded) |

September 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 | \$ 207,587 | \$ - | \$ - | \$ 207,587 |
| Convertible bonds | 105,292 | - | - | 105,292 |
| Exchangeable bonds | 41,740 | - | - | 41,740 |
| Domestic listed shares | 2,466 | - | - | 2,466 |
| Limited partnership | - | - | 60,748 | 60,748 |
| Derivative instruments | | | | |
| Credit linked notes - linked with convertible bonds | - | 420,955 | - | 420,955 |
| Foreign exchange forward contracts and foreign exchange swap contracts | - | 67,555 | - | 67,555 |
| Equity linked notes | - | 16,014 | - | 16,014 |
| | <u>\$ 357,085</u> | <u>\$ 504,524</u> | <u>\$ 60,748</u> | <u>\$ 922,357</u> |

Financial assets at FVTOCI

| | | | | |
|---------------------------------------------|-------------------|-------------------|-------------------|--------------------|
| Investments in equity instruments at FVTOCI | | | | |
| Domestic listed shares | \$ 517,065 | \$ - | \$ - | \$ 517,065 |
| Domestic unlisted equity investments | - | - | 213,140 | 213,140 |
| Foreign unlisted equity investments | - | - | 528,408 | 528,408 |
| Investments in debt instruments at FVTOCI | | | | |
| Domestic corporate bonds | - | 49,814 | - | 49,814 |
| Foreign corporate bonds | - | 422,464 | - | 422,464 |
| | <u>\$ 517,065</u> | <u>\$ 472,278</u> | <u>\$ 741,548</u> | <u>\$1,730,891</u> |

Financial liabilities at FVTPL

| | | | | |
|------------------------------------------------------------------------|------|-----------|------|-----------|
| Derivative instruments | | | | |
| Foreign exchange forward contracts and foreign exchange swap contracts | \$ - | \$ 59,064 | \$ - | \$ 59,064 |

For the nine months ended September 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

| Financial Instruments | Valuation Techniques and Inputs |
|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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. |
| 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. |

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.

Nine Months Ended September 30, 2024

| | Financial instruments at FVTPL | Equity instruments at FVTOCI | Total |
|---------------------------------------------|---------------------------------------|-------------------------------------|---------------------|
| Balance at January 1 | \$ 82,174 | \$ 791,077 | \$ 873,251 |
| Additions | 74,900 | 280,000 | 354,900 |
| Disposal | (1,905) | - | (1,905) |
| Recognized under profit or loss | (1,201) | - | (1,201) |
| Recognized under other comprehensive income | - | 186,818 | 186,818 |
| Balance at September 30 | <u>\$ 153,968</u> | <u>\$ 1,257,895</u> | <u>\$ 1,411,863</u> |

Nine Months Ended September 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 | 8,480 | - | 8,480 |
| Recognized under other comprehensive income | - | 101,226 | 101,226 |
| Balance at September 30 | <u>\$ 60,748</u> | <u>\$ 741,548</u> | <u>\$ 802,296</u> |

c. Categories of financial instrument

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|----------------------------------------|-------------------------------|------------------------------|-------------------------------|
| <u>Financial assets</u> | | | |
| Financial assets at FVTPL | | | |
| Mandatorily classified as at FVTPL | \$ 632,839 | \$ 925,968 | \$ 922,357 |
| Financial assets at amortized cost (1) | 10,561,863 | 10,909,899 | 9,875,057 |
| Financial assets at FVTOCI | | | |
| Equity instruments | 1,813,392 | 1,352,350 | 1,258,613 |
| Debt instruments | 529,027 | 518,598 | 472,278 |

Financial liabilities

| | | | |
|--------------------------------------------|-----------|-----------|-----------|
| Financial liabilities at FVTPL | | | |
| Held for trading | 5,222 | 27,793 | 59,064 |
| Financial liabilities at amortized cost(2) | 3,212,624 | 2,713,322 | 2,213,505 |

- 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), temporary receipts 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 | |
|----------------|-------------------------------------------|-------------|-------------------------------------------|-------------|-------------------------------------------|-------------|
| | Nine Months Ended September 30 | | Nine Months Ended September 30 | | Nine Months Ended September 30 | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Profit or loss | \$ 7,186 | \$ 41,331 | \$ 876 | \$ 488 | \$ 11,274 | \$ 9,500 |

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:

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|-------------------------------|-------------------------------|------------------------------|-------------------------------|
| Fair value interest rate risk | | | |
| Financial assets | \$ 7,405,236 | \$ 6,346,975 | \$ 5,227,752 |
| Financial liabilities | 359,993 | 151,789 | 157,073 |
| Cash flow interest rate risk | | | |
| Financial assets | 1,575,051 | 2,830,895 | 2,849,483 |
| Financial liabilities | 45,273 | - | - |

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 nine months ended September 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 nine months ended September 30, 2024 and 2023 would increase/decrease by \$1,147 thousand and \$2,137 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 nine months ended September 30, 2024 and 2023 would decrease/increase by \$397 thousand and \$354 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 nine months ended September 30, 2024 and 2023 would have increased/decreased by \$23,274 thousand and \$39,703 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTPL. Pre-tax other comprehensive income for the nine months ended September 30, 2024 and 2023 would have increased/decreased by \$27,775 thousand and \$25,853 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 September 30, 2024, December 31 and September 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.

September 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 | \$ 1,243,602 | \$ 1,553,694 | \$ 1,206,912 | \$ - | \$ - | \$ 4,004,208 |
| Lease liabilities | 5,237 | 10,500 | 47,413 | 83,951 | 139,961 | 287,062 |
| Fixed interest rate liabilities | 34,827 | 47,517 | 45,230 | - | - | 127,574 |
| Floating interest rate liabilities | 43 | 31,524 | 13,706 | - | - | 45,273 |

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 |

September 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 | \$ 993,002 | \$ 894,694 | \$ 1,379,150 | \$ - | \$ - | \$3,266,846 |
| Lease liabilities | 4,322 | 8,635 | 36,206 | 72,852 | 44,252 | 166,267 |

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.

September 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 | \$ 366,444 | \$ 954,971 | \$ 730,140 | \$ - |
| Outflows | (364,112) | (951,696) | (727,580) | - |
| | <u>\$ 2,332</u> | <u>\$ 3,275</u> | <u>\$ 2,560</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> |

September 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 | \$ 348,844 | \$ 693,116 | \$ 1,706,467 | \$ - |
| Outflows | (347,867) | (694,942) | (1,697,127) | - |
| | <u>\$ 977</u> | <u>(\$ 1,826)</u> | <u>\$ 9,340</u> | <u>\$ -</u> |

c) Financing facilities

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|-------------------------------------------------------------------------------------|-------------------------------|------------------------------|-------------------------------|
| Unsecured bank overdraft facilities, reviewed annually and payable on demand: | | | |
| Amount used | \$ 172,750 | \$ 165,000 | \$ 165,000 |
| Amount unused | 6,149,260 | 6,575,373 | 6,919,555 |
| | <u>\$ 6,322,010</u> | <u>\$ 6,740,373</u> | <u>\$ 7,084,555</u> |

The amount of used bank facilities which were guaranteed by the bank in respect of the Supplier purchase guarantee letter opened by the Group as of December 31 and September 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 | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|-------------------------------|--------------------------------------------|-----------------|-------------------------------------------|-----------------|
| | 2024 | 2023 | 2024 | 2023 |
| Substantive related party | \$ 1,453 | \$ 1,227 | \$ 3,115 | \$ 2,810 |
| Associates | 30 | - | 37 | - |
| | <u>\$ 1,483</u> | <u>\$ 1,227</u> | <u>\$ 3,152</u> | <u>\$ 2,810</u> |

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

c. Operating expenses

| <u>Related Party Category</u> | <u>Three Months Ended September 30</u> | | <u>Nine Months Ended September 30</u> | |
|-------------------------------|--------------------------------------------|-------------|-------------------------------------------|-------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Substantive related party | \$ 364 | \$ 204 | \$ 1,044 | \$ 607 |

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

| <u>Related Party Category</u> | <u>Three Months Ended September 30</u> | | <u>Nine Months Ended September 30</u> | |
|-------------------------------|--------------------------------------------|-------------|-------------------------------------------|-------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Associates | \$ 154 | \$ - | \$ 1,689 | \$ - |

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, \$1,689 thousand was realized and recognized for the nine months ended September 30, 2024, while the remaining \$2,609 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

| <u>Line Item</u> | <u>Related Party Category</u> | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|----------------------------------------|-------------------------------|-------------------------------|------------------------------|-------------------------------|
| Trade receivables from related parties | Substantive related party | \$ - | \$ 1,782 | \$ - |

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

f. Prepayments

| <u>Related Party Category</u> | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|-------------------------------|-------------------------------|------------------------------|-------------------------------|
| Substantive related party | \$ 30 | \$ 20 | \$ 110 |

g. Trade payables to related parties

| <u>Line Item</u> | <u>Related Party Category</u> | <u>September 30, 2024</u> | <u>December 31, 2023</u> | <u>September 30, 2023</u> |
|-----------------------------------|-------------------------------|-------------------------------|------------------------------|-------------------------------|
| Other payables to related parties | Substantive related party | \$ 350 | \$ 371 | \$ 119 |

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 | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|-------------------------------|-------------------------------|------------------------------|-------------------------------|
| Substantive related party | \$ 3,051 | \$ 508 | \$ 1,017 |

Lease income were as follows:

| Related Party Category | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|-------------------------------|--------------------------------------------|-------------|-------------------------------------------|-------------|
| | 2024 | 2023 | 2024 | 2023 |
| Substantive related party | \$ 509 | \$ 508 | \$ 1,531 | \$ 1,530 |

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 | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|-------------------------------|--------------------------------------------|-------------|-------------------------------------------|-------------|
| | 2024 | 2023 | 2024 | 2023 |
| <u>Deposit interest</u> | | | | |
| Substantive related party | \$ - | \$ - | \$ 6 | \$ 5 |

i. Guarantee deposits received

| Related Party Category | September 30, 2024 | December 31, 2023 | September 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

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|------------------------------|--------------------------------------------|-------------|-------------------------------------------|-------------|
| | 2024 | 2023 | 2024 | 2023 |
| Short-term employee benefits | \$ 35,777 | \$ 41,440 | \$ 119,734 | \$ 147,440 |
| Post-employment benefits | 512 | 522 | 1,577 | 1,503 |
| Share-based payments | 1,089 | - | 1,089 | 1,455 |
| | \$ 37,378 | \$ 41,962 | \$ 122,400 | \$ 150,398 |

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:

| | September 30, 2024 | December 31, 2023 | September 30, 2023 |
|-----------------------|-----------------------|----------------------|-----------------------|
| Pledged time deposits | \$ 833,438 | \$ 828,690 | \$ 825,249 |

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 USD2,059 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 USD1,944 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 September 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 September 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 September 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 September 30, 2024, NT\$60,960 thousand was paid as consideration.

36. SIGNIFICANT SUBSEQUENT EVENTS

The Company's Board of Directors approved on October 31, 2024, to participate in the cash capital increase of Sync-Tech System Corp. , with a total subscription amount not exceeding \$375,000 thousand.

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:

| | <u>September 30, 2024</u> | | <u>December 31, 2023</u> | | <u>September 30, 2023</u> | |
|------------------------------|-----------------------------|--------------------------|-----------------------------|--------------------------|-----------------------------|--------------------------|
| | <u>Foreign Currency</u> | <u>Exchange Rate</u> | <u>Foreign Currency</u> | <u>Exchange Rate</u> | <u>Foreign Currency</u> | <u>Exchange Rate</u> |
| <u>Financial assets</u> | | | | | | |
| <u>Monetary items</u> | | | | | | |
| USD | \$ 93,962 | 31.65 | \$ 99,508 | 30.705 | \$ 88,666 | 32.27 |
| JPY | 155,316 | 0.2223 | 134,167 | 0.2172 | 108,425 | 0.2162 |
| CNY | 49,850 | 4.523 | 61,502 | 4.327 | 43,123 | 4.415 |
| <u>Non-monetary items</u> | | | | | | |
| USD | 33,022 | 31.65 | 28,932 | 30.705 | 24,626 | 32.27 |
| <u>Financial liabilities</u> | | | | | | |
| <u>Monetary items</u> | | | | | | |
| USD | 89,421 | 31.65 | 77,665 | 30.705 | 63,050 | 32.27 |
| JPY | 76,479 | 0.2223 | 61,276 | 0.2172 | 63,238 | 0.2162 |
| CNY | - | 4.523 | 15 | 4.327 | 90 | 4.415 |

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:

| <u>Foreign Currency</u> | <u>Three Months Ended September 30, 2024</u> | | <u>Three Months Ended September 30, 2023</u> | |
|-----------------------------|----------------------------------------------|------------------------------------------------|----------------------------------------------|------------------------------------------------|
| | <u>Exchange Rate</u> | <u>Net Foreign Exchange (Losses) Gains</u> | <u>Exchange Rate</u> | <u>Net Foreign Exchange (Losses) Gains</u> |
| NTD | 1(NTD:NTD) | \$ 2,788 | 1(NTD:NTD) | \$ 43,846 |
| CNY | 4.523(CNY:NTD) | (896) | 4.415(CNY:NTD) | (537) |
| | | <u>\$ 1,892</u> | | <u>\$ 43,309</u> |
| <u>Foreign Currency</u> | <u>Nine Months Ended September 30, 2024</u> | | <u>Nine Months Ended September 30, 2023</u> | |
| | <u>Exchange Rate</u> | <u>Net Foreign Exchange (Losses) Gains</u> | <u>Exchange Rate</u> | <u>Net Foreign Exchange (Losses) Gains</u> |
| NTD | 1(NTD:NTD) | \$ 46,558 | 1(NTD:NTD) | \$ 61,896 |
| CNY | 4.523(CNY:NTD) | (820) | 4.415(CNY:NTD) | 4,222 |
| | | <u>\$ 45,738</u> | | <u>\$ 66,118</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 nine months ended September 30, 2024 and 2023 can be referenced by the combined consolidated income and loss Statement for the nine months ended September 30, 2024 and 2023.

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

TABLE 1

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 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 | \$ 12,977 | 6.45%~6.5% | For financing | \$ - | Working capital | \$ - | — | \$ - | \$ 2,199,038 | \$ 4,398,075 |
| | | Seer Microelectronics, Inc. | Other receivables from related parties | Yes | 60,000 | 50,000 | - | - | For financing | - | Working capital | - | — | - | 2,199,038 | 4,398,075 |
| | | INFSitronix Technology Corp. | Other receivables from related parties | Yes | 100,000 | 100,000 | 9,337 | 6.5% | 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 NINE MONTHS ENDED SEPTEMBER 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 | \$ 316,500 | \$ - | 5.35 | \$5,497,594 | Yes | — | Yes |
| | | mCore Technology Corp. | Subsidiary | 5,497,594 | 100,000 | 100,000 | 29,037 | - | 0.89 | 5,497,594 | Yes | — | — |
| | | CELEFIDE CO.,LTD | Subsidiary | 5,497,594 | 400,000 | 400,000 | 73,745 | - | 3.57 | 5,497,594 | Yes | — | Yes |
| | | Seer Microelectronics, Inc. | Subsidiary | 5,497,594 | 200,000 | 200,000 | 9,495 | - | 1.78 | 5,497,594 | Yes | — | — |
| | | INFSitronix Technology Corp. | Subsidiary | 5,497,594 | 100,000 | 100,000 | 4,748 | - | 0.89 | 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

SEPTEMBER 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 | September 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 | - | \$ 31,764 | - | \$ 31,764 | Note 2 |
| | GS 5.8% 12/18/2033, USD Bond | - | Investments in debt instruments at fair value through other comprehensive income - non-current | - | 32,303 | - | 32,303 | Note 1 |
| | TAIWAN MOBILE first Unsecured Straight Corporate Bond in 2023 | - | Investments in debt instruments at fair value through other comprehensive income - non-current | - | 49,446 | - | 49,446 | 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 | - | 31,660 | - | 31,660 | 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 | 20,740 | - | 20,740 | Note 1 |
| | Topco Technologies Corp. first Unsecured Convertible Bond | - | Financial assets at fair value through profit or loss - current | 200,000 | 23,170 | - | 23,170 | Note 1 |
| | Yulon Motor Co., Ltd. third Unsecured Convertible Bond | - | Financial assets at fair value through profit or loss - current | 65,000 | 6,776 | - | 6,776 | Note 1 |
| | Yulon Finance Corp. second Unsecured Convertible Bond | - | Financial assets at fair value through profit or loss - current | 100,000 | 9,925 | - | 9,925 | Note 1 |
| | Ennoconn Corporation fifth Unsecured Convertible Bond | - | Financial assets at fair value through profit or loss - current | 100,000 | 11,545 | - | 11,545 | Note 1 |
| | Gloria Material Technology Corp. seventh Unsecured Convertible Bond | - | Financial assets at fair value through profit or loss - current | 100,000 | 10,950 | - | 10,950 | Note 1 |
| | <u>Derivatives</u> | | | | | | | |
| | Taishin Financial Holding Co., Ltd. E1 Credit Linked Structured Product | - | Financial assets at fair value through profit or loss - current | - | 35,106 | - | 35,106 | Note 1 |
| | Phison Electronics Corp. first Credit Linked Structured Product | - | Financial assets at fair value through profit or loss - current | - | 30,026 | - | 30,026 | Note 1 |
| | Sciencetech Corp. second Credit Linked Structured Product | - | Financial assets at fair value through profit or loss - non-current | - | 5,005 | - | 5,005 | Note 1 |
| | Gloria Material Technology Corp. seventh Credit Linked Structured Product | - | Financial assets at fair value through profit or loss - non-current | - | 5,033 | - | 5,033 | Note 1 |
| | Yulon Finance Corp. second Credit Linked Structured Product | - | Financial assets at fair value through profit or loss - non- current | - | 20,066 | - | 20,066 | Note 1 |
| | <u>Fund</u> | | | | | | | |
| | UPAMC Taiwan Smart Strategy fund | - | Financial assets at fair value through profit or loss - current | 1,000,000 | 12,570 | - | 12,570 | Note 1 |

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account | September 30, 2024 | | | | Note |
|----------------------|-----------------------------------------------------------|---------------------------------------|--------------------------------------------------------------------------------------------------|--------------------|-----------------|-----------------------------|------------|--------|
| | | | | Number of Shares | Carrying Amount | Percentage of Ownership (%) | Fair Value | |
| The Company | Eastspring Investments-US Corporate Bond Fund A-USD | - | Financial assets at fair value through profit or loss - current | 11,687 | \$ 5,360 | - | \$ 5,360 | Note 1 |
| | Cathay U.S. Treasury 20+ Year Bond ETF | - | Financial assets at fair value through profit or loss - current | 750,000 | 23,985 | - | 23,985 | Note 1 |
| | <u>Stock</u> | | | | | | | |
| | WT Microelectronics Co., Ltd. Preferred Share A | - | Investments in equity instruments at fair value through other comprehensive income - current | 1,000,000 | 48,350 | - | 48,350 | Note 1 |
| | Chailease Holding Company Limited Preferred Share A | - | Investments in equity instruments at fair value through other comprehensive income - current | 250,000 | 23,850 | - | 23,850 | Note 1 |
| | WPG Holdings Limited Preferred Share A | - | Investments in equity instruments at fair value through other comprehensive income - current | 690,000 | 34,845 | - | 34,845 | 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 | 21,875 | - | 21,875 | Note 1 |
| | Taishin Financial Holding Co., Ltd. Preferred Share E | - | Investments in equity instruments at fair value through other comprehensive income - current | 189,000 | 9,677 | - | 9,677 | Note 1 |
| | Silicon Power Computer & Communications Inc. | Substantive related party | Investments in equity instruments at fair value through other comprehensive income - current | 4,198,701 | 139,397 | - | 139,397 | Note 1 |
| | Fubon Financial Holding Co., Ltd. Preferred Share A | - | Investments in equity instruments at fair value through other comprehensive income - current | 175,000 | 10,832 | - | 10,832 | Note 1 |
| | Intel Corporation | - | Investments in equity instruments at fair value through other comprehensive income - current | 15,855 | 11,772 | - | 11,772 | Note 1 |
| | Kwong Lung Enterprise Co., Ltd | - | Investments in equity instruments at fair value through other comprehensive income - current | 146,000 | 8,410 | - | 8,410 | Note 1 |
| | Nan Ya Plastics Corporation | - | Investments in equity instruments at fair value through other comprehensive income - current | 150,000 | 6,900 | - | 6,900 | Note 1 |
| | Cathay Financial Holding Co., Ltd. Preferred Share A | - | Investments in equity instruments at fair value through other comprehensive income - current | 131,000 | 7,926 | - | 7,926 | Note 1 |
| | Fubon Financial Holding Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 7,354 | 665 | - | 665 | Note 1 |
| | 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 II Innovation Investment Co., Ltd. | - | Investments in equity instruments at fair value through other comprehensive income - non-current | 3,000,000 | 46,576 | 7 | 46,576 | Note 3 |

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account | September 30, 2024 | | | | Note |
|----------------------------|----------------------------------------------------------------|---------------------------------------|--------------------------------------------------------------------------------------------------|--------------------|-----------------|-----------------------------|------------|--------|
| | | | | Number of Shares | Carrying Amount | Percentage of Ownership (%) | Fair Value | |
| The Company | Fong Huang Innovation Investment Co., Ltd. | - | Investments in equity instruments at fair value through other comprehensive income - non-current | 3,000,000 | \$ 47,313 | 9 | \$ 47,313 | Note 3 |
| | HANS GLOBAL SELECT FUND LIMITED | - | Investments in equity instruments at fair value through other comprehensive income - non-current | 120,000 | 378,819 | - | 378,819 | Note 3 |
| | Fong Huang VI Innovation Investment Co., Ltd. | - | Investments in equity instruments at fair value through other comprehensive income - non-current | 22,000,000 | 214,651 | 11 | 214,651 | 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 | 23,762 | 6 | 23,762 | 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 | 89,670 | 12 | 89,670 | Note 3 |
| | <u>Limited Partnership</u> CDIB-Innolux Limited Partnership | - | Financial assets at fair value through profit or loss - non-current | 4,762,818 | 60,734 | - | 60,734 | Note 3 |
| | CDIB-Innolux II Limited Partnership | - | Financial assets at fair value through profit or loss - non-current | 5,350,000 | 51,467 | - | 51,467 | Note 3 |
| | Megawood Green Technology Fund L.P. | - | Financial assets at fair value through profit or loss - non-current | 2,250,000 | 21,181 | - | 21,181 | 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 | 22,998 | - | 22,998 | 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 | 9,595 | - | 9,595 | 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 | - | 15,700 | - | 15,700 | Note 1 |
| | CITI 2.80% 06/15/2025 USD Bond | - | Investments in debt instruments at fair value through other comprehensive income - current | - | 31,166 | - | 31,166 | Note 1 |
| | China Huadian Corporation 3.375% Perpetual USD Bond | - | Investments in debt instruments at fair value through other comprehensive income - non-current | - | 31,187 | - | 31,187 | 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 | - | 31,660 | - | 31,660 | 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 | - | 31,442 | - | 31,442 | 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 | - | 28,015 | - | 28,015 | Note 1 |

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account | September 30, 2024 | | | | Note |
|----------------------------|---------------------------------------------------------------------------|---------------------------------------|------------------------------------------------------------------------------------------------|--------------------|-----------------|-----------------------------|------------|--------|
| | | | | Number of Shares | Carrying Amount | Percentage of Ownership (%) | Fair Value | |
| Sensortek Technology Corp. | GS 5.8% 12/18/2033, USD Bond | - | Investments in debt instruments at fair value through other comprehensive income - non-current | - | \$ 32,303 | - | \$ 32,303 | Note 1 |
| | Chailease Holding Company Limited first Unsecured Convertible Bond | - | Financial assets at fair value through profit or loss - current | 287,000 | 28,470 | - | 28,470 | Note 1 |
| | Taishin Financial Holding Co., Ltd. first Unsecured Exchangeable Bond | - | Financial assets at fair value through profit or loss - current | 200,000 | 20,740 | - | 20,740 | Note 1 |
| | Yulon Motor Co., Ltd. third Unsecured Convertible Bond | - | Financial assets at fair value through profit or loss - current | 40,000 | 4,170 | - | 4,170 | Note 1 |
| | Gloria Material Technology Corp. seventh Unsecured Convertible Bond | - | Financial assets at fair value through profit or loss - current | 100,000 | 10,950 | - | 10,950 | Note 1 |
| | Alltop Technology Co., Ltd. sixth Unsecured Convertible Bond | - | Financial assets at fair value through profit or loss - current | 50,000 | 6,273 | - | 6,273 | Note 1 |
| | <u>Derivatives</u> | | | | | | | |
| | RiTdisplay Corporation second Credit Linked Structured Product | - | Financial assets at fair value through profit or loss - current | - | 9,578 | - | 9,578 | Note 1 |
| | Taishin Financial Holding Co., Ltd. E1 Credit Linked Structured Product | - | Financial assets at fair value through profit or loss - current | - | 35,106 | - | 35,106 | Note 1 |
| | Phison Electronics Corp. first Credit Linked Structured Product | - | Financial assets at fair value through profit or loss - current | - | 20,017 | - | 20,017 | Note 1 |
| | Gloria Material Technology Corp. seventh Credit Linked Structured Product | - | Financial assets at fair value through profit or loss - non-current | - | 20,142 | - | 20,142 | Note 1 |
| | Phison Electronics Corp. second Credit Linked Structured Product | - | Financial assets at fair value through profit or loss - non-current | - | 15,066 | - | 15,066 | Note 1 |
| | Alltop Technology Co., Ltd. sixth Credit Linked Structured Product | - | Financial assets at fair value through profit or loss - non-current | - | 15,078 | - | 15,078 | Note 1 |
| | Sciencetech Corp. first Credit Linked Structured Product | - | Financial assets at fair value through profit or loss - non-current | - | 5,009 | - | 5,009 | Note 1 |
| | <u>Fund</u> | | | | | | | |
| | Cathay U.S. Treasury 20+ Year Bond ETF | - | Financial assets at fair value through profit or loss - current | 658,000 | 21,043 | - | 21,043 | Note 1 |
| | <u>Stock</u> | | | | | | | |
| | Chailease Holding Company Limited Preferred Share A | - | Investments in equity instruments at fair value through other comprehensive income - current | 300,000 | 28,620 | - | 28,620 | Note 1 |
| | WT Microelectronics Co., Ltd. Preferred Share A | - | Investments in equity instruments at fair value through other comprehensive income - current | 2,000,000 | 96,700 | - | 96,700 | Note 1 |
| | Fubon Financial Holding Co., Ltd. Preferred Share A | - | Investments in equity instruments at fair value through other comprehensive income - current | 800,000 | 49,520 | - | 49,520 | Note 1 |
| | Taishin Financial Holding Co., Ltd. Preferred Share E | - | Investments in equity instruments at fair value through other comprehensive income - current | 609,000 | 31,181 | - | 31,181 | Note 1 |

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account | September 30, 2024 | | | | Note |
|-------------------------------------|---------------------------------------------------------------------------|---------------------------------------|--------------------------------------------------------------------------------------------------|--------------------|-----------------|-----------------------------|------------|--------|
| | | | | Number of Shares | Carrying Amount | Percentage of Ownership (%) | Fair Value | |
| Sensortek Technology Corp. | Taiwan Cement Corp. | - | Investments in equity instruments at fair value through other comprehensive income - current | 69,450 | \$ 2,347 | - | \$ 2,347 | Note 1 |
| | Powertech Technology Inc. | - | Investments in equity instruments at fair value through other comprehensive income - current | 100,000 | 13,700 | - | 13,700 | Note 1 |
| | Sitronix Technology Corp. | The Parent Company | Investments in equity instruments at fair value through other comprehensive income - non-current | 606,000 | 138,471 | - | 138,471 | 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 | 46,577 | 7 | 46,577 | 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 | 58,541 | 3 | 58,541 | Note 3 |
| | <u>Limited Partnership</u> CDIB-Innolux II Limited Partnership | - | Financial assets at fair value through profit or loss - non-current | 2,140,000 | 20,586 | - | 20,586 | Note 3 |
| Sitronix Investment Corp. | <u>Equity Investment</u> HANS GLOBAL SELECT FUND LIMITED | - | Investments in equity instruments at fair value through other comprehensive income - non-current | 111,500 | 351,986 | - | 351,986 | Note 3 |
| 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 985 | - | USD 985 | 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 597 | - | USD 597 | Note 1 |
| | China Huadian Corporation 3.375% Perpetual USD Bond | - | Investments in debt instruments at fair value through other comprehensive income - non-current | - | USD 985 | - | USD 985 | Note 1 |
| | GS 5.8% 12/18/2033 USD Bond | - | Investments in debt instruments at fair value through other comprehensive income - non-current | - | USD 1,021 | - | USD 1,021 | 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 902 | - | USD 902 | Note 1 |
| | NDAQ 5.55 02/15/34 USD Bond | - | Investments in debt instruments at fair value through other comprehensive income - non-current | - | USD 1,056 | - | USD 1,056 | Note 1 |
| | GS 5.75% 05/22/34 USD Bond | - | Investments in debt instruments at fair value through other comprehensive income - non-current | - | USD 1,019 | - | USD 1,019 | Note 1 |
| | CATLIF 5.3 09/05/39 USD Bond | - | Investments in debt instruments at fair value through other comprehensive income - non-current | - | USD 202 | - | USD 202 | Note 1 |

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

Note 2: Listed based on book value.

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

Note 4: As of September 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 NINE MONTHS ENDED SEPTEMBER 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 valuation 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 total price of the construction order signed.

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 NINE MONTHS ENDED SEPTEMBER 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 | \$ 1,732,045 | 35% | Net 60 days from the ship date | \$ - | — | (\$ 378,681) | 26% | — |

TABLE 6

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 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 | \$ 41,033 | — | - |
| | | | | Purchases | 1,732,045 | — | 13% |
| | | | | Trade receivables | 8,949 | — | - |
| | | | | Other receivables | 6,703 | — | - |
| | | | | Trade payables | 378,681 | — | 2% |
| | | Forcelead Technology Corp. | from the parent company to the subsidiary | Sales | 31,946 | — | - |
| | | | | Rental income | 5,769 | — | - |
| | | | | Purchases | 75,712 | — | - |
| | | | | Trade receivables | 6,971 | — | - |
| | | | | Other receivables | 22,705 | — | - |
| | | | | Trade payables | 24,430 | — | - |
| | | INFSitronix Technology Corp. | from the parent company to the subsidiary | Sales | 12,110 | — | - |
| | | | | Trade receivables | 4,000 | — | - |
| | | | | Other receivables | 14,126 | — | - |
| | | mCore Technology Corp. | from the parent company to the subsidiary | Sales | 17,128 | — | - |
| | | | | Trade receivables | 3,871 | — | - |
| | | | | Other receivables | 13,289 | — | - |
| | | Sync-Tech System Corp. | from the parent company to the subsidiary | Sales | 4,229 | — | - |
| | | | | Rental income | 6,199 | — | - |
| | | | | Manufacturing expenses | 41,923 | — | - |
| | | | | Other payables | 13,245 | — | - |
| | | Sitronix Technology (Shenzhen) Co., Ltd. | from the parent company to the subsidiary | Professional service fees | 147,074 | — | 1% |
| | | CELEFIDE CO., LTD. | from the parent company to the subsidiary | Purchases | 15,326 | — | - |
| | | | | Trade payables | 4,541 | — | - |
| 1 | Forcelead Technology Corp. | Sync-Tech System Corp. | from the subsidiary to the subsidiary | Manufacturing expenses | 28,990 | — | - |
| | | | | Other payables | 10,591 | — | - |
| 2 | mCore Technology Corp. | CELEFIDE CO., LTD. | from the subsidiary to the subsidiary | Purchases | 16,950 | — | - |
| | | | | Trade payables | 6,001 | — | - |

| 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 | \$ 22,115 | — | - |
| | | | | Other payables | 7,621 | — | - |
| | | CELEFIDE CO., LTD. | from the subsidiary to the subsidiary | Rental income | 4,111 | — | - |

Note : The transactions were based on mutual agreement or contractual agreement ; therefore, there was no appropriate transaction object to compare.

TABLE 7

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE NINE MONTHS ENDED SEPTEMBER 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 September 30, 2024 | | | Net Income (Loss) of the Investee | Share of (Loss) Profit |
|---------------------------|-------------------------------------|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|----------------------|----------------------------------|-----------------------------------|-----------------|--------------------------------------|---------------------------|
| | | | | September 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 | \$ 354,096 | (\$ 2,436) | (\$ 2,436) |
| | 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 | 1,074,674 | 474,546 | 289,507 |
| | Sensortek Technology Corp. | Taiwan | R&D, design and sales of sensor integrated circuit products | 113,318 | 113,318 | 22,529,596 | 46.06 | 1,900,364 | 433,550 | 196,348 |
| | mCore Technology Corp. | Taiwan | Providing solutions for consumer display and voice/audio related applications | 131,074 | 131,074 | 9,583,010 | 90.73 | 132,242 | 30,374 | 27,558 |
| | Sync-Tech System Corp. | Taiwan | Design, manufacturing and maintenance of semiconductor consumables and testing equipment | 160,554 | 160,554 | 12,651,581 | 41.51 | 396,367 | 118,030 | 49,626 |
| | INFSitronix Technology Corp. | Taiwan | Comprehensive line of Power supervisor IC design | 193,559 | 193,559 | 9,796,220 | 58.42 | 39,109 | (22,822) | (13,333) |
| | ezGreen Inc. | Taiwan | Software design and electronic information supply services | 220,000 | 160,000 | 22,000,000 | 100.00 | 68,704 | (37,176) | (37,176) |
| | Seer Microelectronics, Inc. | Taiwan | High performance sensor IC with single photon design and applications | 95,000 | 95,000 | 9,500,000 | 72.66 | 59,344 | (21,275) | (15,457) |
| Sitronix Investment Corp. | Sitronix Holding International Ltd. | Samoa | Investment | 189,900 | 189,900 | 6,000,000 | 100.00 | 237,868 | 7,629 | 7,629 |
| | Sensortek Technology Corp. | Taiwan | R&D, design and sales of sensor integrated circuit products | (USD 6,000) 10 | (USD 6,000) 10 | 2,290 | - | 201 | 433,550 | 20 |
| ezGreen Inc. | INFSitronix Technology Corp. | Taiwan | Comprehensive line of Power supervisor IC design | 10 | 10 | 266 | - | 1 | (22,822) | - |
| | 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 | 5,443 | (4,268) | (1,634) |

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

TABLE 8

SITRONIX TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 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 September 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 September 30, 2024 | Accumulated Repatriation of Investment Income as of September 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 | \$ 12,660 (USD 400) | Note 3 | \$ 12,660 (USD 400) | \$ - | \$ - | \$ 12,660 (USD 400) | \$ 2,374 | 100% | \$ 2,374 | \$ 32,298 | \$ 10,237 |
| HeFei ezGreen Co., Ltd. | Design, sales and technical services of Supplier management software development | 45,230 (CNY 10,000) | Note 4 | 45,230 (CNY 10,000) | - | - | 45,230 (CNY 10,000) | (6,197) | 100% | (6,197) | 5,120 | - |
| CELEFIDE CO., LTD. | R&D, design, sales and technical services of integrated circuits and system hardware and software | 226,150 (CNY 50,000) | Note 5 | 101,768 (CNY 22,500) | - | - | 101,768 (CNY 22,500) | 7,418 | 90% | 6,676 | 476,674 | - |
| HeFei Sitronix Technology Co., Ltd. | R&D and sale of integrated circuits; R&D, service and sales of integrated circuits chip | 158,305 (CNY 35,000) | Note 6 | 158,305 (CNY 35,000) | - | - | 158,305 (CNY 35,000) | 11,175 | 100% | 11,175 | 156,747 | - |

| Investor Company | Accumulated Outward Remittance for Investment in Mainland China as of September 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 (Note 2) |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| Sitronix Technology Corporation | \$ 336,503 (US\$ 10,632) | \$ 757,574 (US\$ 23,936) | \$ 6,723,639 |
| Forcelead Technology Corp. | \$ - (US\$ -) | \$ 24,624 (US\$ 778) | \$ 1,056,715 |

Note 1: Foreign currencies are converted into NTD using the exchange rates of the US dollar and CNY to NTD on September 30, 2024.

Note 2: According to the Investment Commission, MOEA, 60% of the net value of investments in mainland China is set.

Note 3: Direct Investment, as of September 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 4: Direct Investment, as of September 30, 2024, the total investment amount approved by the Investment Commission, MOEA, is CNY20,000 thousand, and the investment amount of CNY10,000 thousand has been remitted.

Note 5: Direct Investment, as of September 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 September 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 NINE MONTHS ENDED SEPTEMBER 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 | \$ 147,074 | 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
SEPTEMBER 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 |

- 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.