

**PANJIT INTERNATIONAL INC. AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**WITH REPORT OF INDEPENDENT ACCOUNTANTS**  
**FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER, 2024 AND 2023**

Address: No.24, Gangshan N. Rd., Gangshan Dist., Kaohsiung City, Taiwan, R.O.C.  
Telephone: 886-7-621-3121

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese financial statements shall prevail.

## **Review Report of Independent Accountants**

To: PANJIT INTERNATIONAL INC.

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of PANJIT INTERNATIONAL INC. (the “Company”) and its subsidiaries as of 30 September 2024 and 2023, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2024 and 2023 and consolidated statements of changes in equity and cash flows for the nine-month periods ended 30 September 2024 and 2023, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 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 these consolidated financial statements based on our reviews.

### **Scope of Review**

Except as explained in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 2410, “Review of Financial Statements”. 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 conducted in accordance with auditing standards generally accepted in the Republic of China 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 explained in Note 4, the financial statements of certain insignificant subsidiaries were not reviewed by independent accountants. Those statements reflected total assets of NT\$5,241,413 thousand and NT\$4,296,442 thousand, constituting 18% and 15% of the consolidated total assets, and total liabilities of NT\$1,024,766 thousand and NT\$814,282 thousand, constituting 8% and 6% of the consolidated total liabilities as of 30 September 2024 and 2023, respectively; and total comprehensive income of (NT\$230,865)thousand, (NT\$354,163) thousand, NT\$35,549 thousand and NT\$186,580 thousand, constituting (102%), (3%), 6% and 16% of the consolidated total comprehensive income for the three-month and nine-month periods ended 30 September 2024 and 2023, respectively. As explained in Note 6. (8), the financial statements of certain associates and joint ventures accounted for under the equity method were not reviewed by independent accountants. Those associates and joint ventures under equity method amounted to NT\$141,016 thousand and NT\$139,197 thousand as of 30 September 2024 and 2023, respectively. The related shares of profits from the associates and

joint ventures under the equity method amounted to NT\$1,958 thousand, NT\$1,967 thousand, (NT\$1,796) thousand and (NT\$5,865) thousand for the three-month and nine-month periods ended 30 September 2024 and 2023, respectively. The information related to above subsidiaries, and associates and joint ventures accounted for under the equity method disclosed in Note 13 was also not reviewed by independent accountants.

## **Qualified Conclusion**

Based on our reviews and the review reports of other independent accountants (please refer to the Other Matter paragraph of our report), except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant subsidiaries, associates and joint ventures accounted for using equity method and the information been reviewed by independent accountants described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as at 30 September 2024 and 2023, and their consolidated financial performance for the three-month and nine-month periods ended 30 September 2024 and 2023, and their consolidated cash flows for the nine-month periods ended 30 September 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” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

## **Other Matter – Making Reference to the Reviews of Other Independent Accountants**

We did not review the financial statements of certain investment accounted for under the equity method, which reflected the associates and joint ventures under equity method in the amount of NT\$1,639,389 thousand and NT\$1,555,829 thousand, constituting 6% and 5% of consolidated total assets as of 30 September 2024 and 2023, and the related shares of profits from the associates and joint ventures under the equity method of NT\$43,419 thousand, NT\$114,602 thousand, NT\$34,024 thousand, NT\$75,456 thousand, constituting 13%, 12%, 9% and 8% of consolidated pretax income for the three-month and nine-month periods ended 30 September 2024 and 2023, respectively. Those financial statements were reviewed by other independent accountants, whose reports thereon have been furnished to us, and our review results are based solely on the reports of the other independent accountants.

Ernst & Young Taiwan

November 8, 2024

### **Notice to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations 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 parent company only financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of Republic of China, and their applications in practice.

English Translation of Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

September 30, 2024, December 31, 2023, and September 30, 2023

(Expressed in Thousand of New Taiwan Dollars)

Assets	Notes	September 30, 2024		December 31, 2023		September 30, 2023	
		Amount	%	Amount	%	Amount	%
Current asset							
Cash and cash equivalents	6(1)	\$2,125,370	7	\$3,076,877	11	\$2,816,329	10
Financial assets at fair value through profit or loss - current	6(2)	4,368,358	15	3,325,793	11	2,417,231	9
Notes receivable, net	6(5),(20)	524,520	2	590,324	2	712,377	2
Trade receivable, net	6(6),(20)	3,781,593	13	3,443,023	12	3,880,190	14
Trade receivable-related parties, net	6(6), (20)/7	28,524	-	39,589	-	55,585	-
Other receivables, net		92,550	-	150,301	1	165,819	1
Other receivables-related parties, net	7	3,851	-	2,760	-	2,222	-
Inventories, net	6(7)	2,617,860	9	3,006,980	10	3,158,084	11
Prepayments		507,741	2	538,418	2	890,655	3
Other current assets	8	113,405	1	158,256	1	134,167	-
Total current assets		14,163,772	49	14,332,321	50	14,232,659	50
Non-current assets							
Financial assets at fair value through profit or loss - non-current	6(2)	568,187	2	61,989	-	43,701	-
Financial assets at fair value through other comprehensive income - non-current	6(3)	526,248	2	493,248	2	534,495	2
Financial assets measured at amortized cost-non-current	6(4)	28,536	-	27,511	-	27,489	-
Investments accounted for using the equity method	6(8)	2,106,144	7	2,018,480	7	2,029,265	7
Property, plant, and equipment	6(9)	7,461,693	26	7,801,152	27	7,821,673	27
Right-of-use assets	6(21)	1,204,518	4	1,224,334	4	1,258,417	4
Intangible assets	6(10),(11)	1,639,941	6	1,649,469	6	1,639,735	6
Deferred tax asset		358,958	1	379,346	1	369,591	1
Prepayment for equipments		146,081	1	78,260	-	136,955	-
Refundable deposits	8	275,524	1	468,708	2	469,660	2
Other non-current assets, others	8	191,399	1	147,917	1	139,557	1
Total non-current assets		14,507,229	51	14,350,414	50	14,470,538	50
Total assets		\$28,671,001	100	\$28,682,735	100	\$28,703,197	100

(continued)

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

## English Translation of Financial Statements Originally Issued in Chinese

## PANJIT INTERNATIONAL INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

September 30, 2024, December 31, 2023, and September 30, 2023

(Expressed in Thousand of New Taiwan Dollars)

Liabilities and equity	Notes	September 30, 2024		December 31, 2023		September 30, 2023	
		Amount	%	Amount	%	Amount	%
Current liabilities							
Short-term borrowings	6(12)	\$3,281,810	11	\$2,689,193	9	\$3,277,747	12
Financial liabilities at fair value through profit or loss - current	6(13)	33	-	-	-	4,831	-
Contractual liabilities - current	6(19)	3,126	-	9,744	-	23,874	-
Notes payable	6(14)	407,264	1	636,740	2	690,154	2
Trade payable		1,239,798	4	1,350,821	5	1,522,188	6
Trade payable-related parties	7	37,590	-	54,277	-	70,849	-
Other payables		1,303,758	5	1,368,002	5	1,377,994	5
Other payables - related parties	7	38,844	-	37,190	-	37,945	-
Current tax liabilities		201,168	1	288,522	1	277,276	1
Lease liabilities - current	6(21) / 7	57,689	-	51,245	-	55,285	-
Long-term borrowings, current portion	6(16) / 8	689,609	3	507,000	2	507,000	2
Other current liabilities	7	138,842	1	117,330	1	108,442	-
Total current liabilities		7,399,531	26	7,110,064	25	7,953,585	28
Non-current liabilities							
Long-term borrowings	6(16) / 8	5,505,135	19	6,342,653	22	5,315,373	19
Deferred tax liabilities		100,668	-	82,889	-	102,937	-
Lease liabilities - non-current	6(21) / 7	267,304	1	281,270	1	297,838	1
Long-term deferred revenue	6(15)	54,635	-	61,566	-	86,811	-
Defined benefit liabilities-non-current		43,476	-	66,579	-	62,943	-
Other non-current liabilities		116,834	1	103,175	1	103,368	-
Total non-current liabilities		6,088,052	21	6,938,132	24	5,969,270	20
Total liabilities		13,487,583	47	14,048,196	49	13,922,855	48
Equity attributable to the parent company							
Capital stock							
Common stock	6(18)	3,821,149	13	3,821,149	13	3,821,149	13
Capital surplus	6(18)	6,030,606	21	6,007,138	21	6,005,508	21
Retained earnings	6(18)						
Legal reserves		812,657	3	729,336	3	729,336	3
Special reserves		717,237	3	717,237	2	717,237	2
Unappropriated earnings		2,752,601	9	2,579,987	9	2,438,005	9
Total retained earnings		4,282,495	15	4,026,560	14	3,884,578	14
Other components of equity		(291,325)	(1)	(606,249)	(2)	(269,779)	(1)
Treasury stock	6(18)	-	-	-	-	-	-
Total equity attributable to the parent company		13,842,925	48	13,248,598	46	13,441,456	47
Non-controlling interests	6(18)	1,340,493	5	1,385,941	5	1,338,886	5
Total equity		15,183,418	53	14,634,539	51	14,780,342	52
Total liabilities and equity		\$28,671,001	100	\$28,682,735	100	\$28,703,197	100

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

## PANJIT INTERNATIONAL INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three-month and nine-month periods ended 30 September 2024 and 2023

(Expressed in Thousand of New Taiwan Dollars)

Items	Notes	For the three-month periods ended 30 September				For the nine-month periods ended 30 September			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
Operating revenues	6(19), 7	\$3,335,069	100	\$3,273,424	100	\$9,524,746	100	\$9,676,948	100
Operating costs	6(7),(21),(22),7	(2,361,008)	(71)	(2,434,342)	(74)	(6,865,336)	(72)	(7,239,941)	(75)
Gross profit		974,061	29	839,082	26	2,659,410	28	2,437,007	25
Operating expenses	6(20),(21),(22),7								
Selling expense		(192,941)	(6)	(168,197)	(5)	(537,871)	(6)	(506,818)	(5)
General and administrative expenses		(282,734)	(8)	(225,338)	(7)	(788,673)	(8)	(638,421)	(7)
Research and development expenses		(259,404)	(8)	(205,843)	(7)	(703,231)	(7)	(607,709)	(6)
Expected credit impairment (losses) gains		(4,548)	-	(5,182)	-	(2,849)	-	(1,886)	-
Subtotal		(739,627)	(22)	(604,560)	(19)	(2,032,624)	(21)	(1,754,834)	(18)
Operating income		234,434	7	234,522	7	626,786	7	682,173	7
Non-operating income and expenses	6(21),(23),7								
Interest income		40,743	1	43,663	1	143,013	1	119,791	1
Other income		15,386	-	30,610	1	49,707	1	82,400	1
Other gains or losses		48,846	2	74,296	2	216,374	2	158,657	2
Financial costs		(57,408)	(2)	(47,156)	(1)	(170,243)	(2)	(150,967)	(2)
Share of profit or loss of associates under equity method	6(8)	48,993	2	34,889	1	121,360	1	81,572	1
Subtotal		96,560	3	136,302	4	360,211	3	291,453	3
Pretax income from continuing operations		330,994	10	370,824	11	986,997	10	973,626	10
Income tax expense	6(25)	(40,710)	(1)	(59,154)	(2)	(135,909)	(1)	(144,387)	(1)
Profit from continuing operations		290,284	9	311,670	9	851,088	9	829,239	9
Net income		290,284	9	311,670	9	851,088	9	829,239	9
Other comprehensive income (loss)	6(24),(25)								
Items that will not be reclassified subsequently to profit or loss:									
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income		5,688	-	(4,295)	-	1,715	-	20,915	-
Income tax related to items that will not be reclassified		(1,358)	-	(138)	-	789	-	(257)	-
Items that may be reclassified subsequently to profit or loss:									
Exchange differences arising on translation of foreign operations		(68,204)	(2)	313,621	10	374,140	4	292,919	3
Income tax related to items that may be reclassified		3	-	-	-	(50,274)	(1)	-	-
Total other comprehensive income (loss), net of tax		(63,871)	(2)	309,188	10	326,370	3	313,577	3
Total comprehensive income		\$226,413	7	\$620,858	19	\$1,177,458	12	\$1,142,816	12
Total comprehensive income attributable to:									
Stockholders of the parent		\$253,452	8	\$243,832	7	\$714,041	8	\$676,047	7
Non-controlling interests		36,832	1	67,838	2	137,047	1	153,192	2
		\$290,284	9	\$311,670	9	\$851,088	9	\$829,239	9
Total comprehensive income attributable to:									
Stockholders of the parent		\$192,815	6	\$539,083	16	\$1,029,397	11	\$974,072	10
Non-controlling interests		33,598	1	81,775	3	148,061	1	168,744	2
		\$226,413	7	\$620,858	19	\$1,177,458	12	\$1,142,816	12
Earnings per share (NT\$)	6(26)								
Basic earnings per share		\$0.66		\$0.64		\$1.87		\$1.77	
Diluted earnings per share		\$0.66		\$0.64		\$1.86		\$1.76	

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

English Translation of Financial Statements Originally Issued in Chinese  
PANJIT INTERNATIONAL INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
For the nine-month periods ended 30 September 2024 and 2023  
(Expressed in Thousand of New Taiwan Dollars)

Items	Equity attributable to owners of parent company										Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings			Other components of equity			Treasury stock	Total		
	Common stock		Legal reserves	Special reserves	Undistributed earnings	Exchange Differences Arising on Translation of Foreign Operations	Unrealized Gains or Losses on Financial Assets Measured at Fair Value through Other Comprehensive Income	Others				
Balance as of January 1, 2023	\$3,828,149	\$6,016,861	\$505,733	\$717,237	\$3,116,721	(\$418,846)	(\$133,358)	(\$413)	(\$16,507)	\$13,615,577	\$1,293,658	\$14,909,235
Appropriation and distribution of 2022 retained earnings												
Legal reserve	-	-	223,603	-	(223,603)	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	(1,146,345)	-	-	-	-	(1,146,345)	-	(1,146,345)
Changes in equity of associates accounted for using the equity method	-	(1,886)	-	-	-	-	-	-	-	(1,886)	-	(1,886)
Net income for the nine-month periods ended 30 September 2023	-	-	-	-	676,047	-	-	-	-	676,047	153,192	829,239
Other comprehensive income (loss) for the nine-month periods ended 30 September 2023	-	-	-	-	-	278,390	19,635	-	-	298,025	15,552	313,577
Total comprehensive income (loss)	-	-	-	-	676,047	278,390	19,635	-	-	974,072	168,744	1,142,816
Retirement of treasury share	(7,000)	(9,507)	-	-	-	-	-	-	16,507	-	-	-
Changes in ownership interests in subsidiaries	-	40	-	-	(2)	-	-	-	-	38	(38)	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(123,478)	(123,478)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	15,187	-	(15,187)	-	-	-	-	-
Balance as of September 30, 2023	\$3,821,149	\$6,005,508	\$729,336	\$717,237	\$2,438,005	(\$140,456)	(\$128,910)	(\$413)	\$-	\$13,441,456	\$1,338,886	\$14,780,342
Balance as of January 1, 2024	\$3,821,149	\$6,007,138	\$729,336	\$717,237	\$2,579,987	(\$465,184)	(\$140,652)	(\$413)	\$-	\$13,248,598	\$1,385,941	\$14,634,539
Appropriation and distribution of 2023 retained earnings												
Legal reserve	-	-	83,321	-	(83,321)	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	(458,538)	-	-	-	-	(458,538)	-	(458,538)
Changes in equity of associates accounted for using the equity method	-	44,478	-	-	-	-	-	-	-	44,478	-	44,478
Net income for the nine-month periods ended 30 September 2024	-	-	-	-	714,041	-	-	-	-	714,041	137,047	851,088
Other comprehensive income (loss) for the nine-month periods ended 30 September 2024	-	-	-	-	-	312,807	2,549	-	-	315,356	11,014	326,370
Total comprehensive income (loss)	-	-	-	-	714,041	312,807	2,549	-	-	1,029,397	148,061	1,177,458
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(22,777)	-	-	-	-	-	-	-	(22,777)	(16,678)	(39,455)
Changes in ownership interests in subsidiaries	-	1,767	-	-	-	-	-	-	-	1,767	(1,766)	1
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(175,065)	(175,065)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	432	-	(432)	-	-	-	-	-
Balance as of September 30, 2024	\$3,821,149	\$6,030,606	\$812,657	\$717,237	\$2,752,601	(\$152,377)	(\$138,535)	(\$413)	\$-	\$13,842,925	\$1,340,493	\$15,183,418

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

English Translation of Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the nine-month periods ended 30 September 2024 and 2023

(Expressed in Thousand of New Taiwan Dollars)

Items	For the nine-month periods ended 30 September	
	2024	2023
Cash flow from operating activities		
Profit before tax for the current period	\$986,997	\$973,626
Adjustment items:		
Revenue and expenses		
Depreciation	757,202	641,291
Amortization	24,180	32,535
Expected credit impairment losses (gains)	2,849	1,886
Net (gain) on financial assets or liabilities at fair value through profit or loss	(163,407)	(90,643)
Interest expense	170,243	150,967
Interest income	(143,013)	(119,791)
Dividend income	(2,957)	(7,654)
Share of (profit) of associates accounted for using equity method	(121,360)	(81,572)
(Gain) loss on disposal of property, plant and equipment	(49)	(752)
Loss on disposal of investments	-	7,955
Reversal of impairment (gain) loss on non-financial assets	(21)	(52)
Other items - loss on inventory valuation	39,480	178,092
Other items - other	7,210	(9,412)
Subtotal	570,357	702,850
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	(801,744)	789,929
Notes receivable	65,804	(359,518)
Trade receivable	(388,325)	(594,188)
Trade receivable-related parties	11,065	1,115
Other receivables	56,673	(19,664)
Other receivables-related parties	(1,091)	1,130
Inventories	339,949	417,229
Prepayments	44,235	(121,590)
Other current assets	44,851	16,209
Changes in operating liabilities:		
Contract liabilities	(6,618)	13,833
Notes payable	(229,476)	84,249
Trade payable	(111,023)	104,507
Trade payable-related parties	(16,687)	11,781
Other payables	(4,406)	(205,299)
Other payables-related parties	1,654	42
Other current liabilities	21,511	31,497
Net defined benefit liabilities-non-current	(24,876)	(6,291)
Subtotal	(998,504)	164,971
Cash generated from operations	558,850	1,841,447
Interest received	148,946	119,791
Income tax (paid)	(247,733)	(172,398)
Net cash flows from (used in) operating activities	460,063	1,788,840

(continued)

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



English Translation of Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the nine-month periods ended 30 September 2024 and 2023

(Expressed in Thousand of New Taiwan Dollars)

Items	For the nine-month periods ended 30 September	
	2024	2023
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(31,472)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	3,815	443
Acquisition of financial assets at fair value through profit or loss	(615,209)	(6,393)
Proceeds from disposal of financial assets at fair value through profit or loss	112,523	-
Acquisition of investments accounted for using the equity method	(19,093)	-
Acquisition of property, plant and equipment	(278,659)	(621,994)
Proceeds from disposal of property, plant and equipments	33,489	4,406
Decrease in refundable deposits	193,184	167,810
Acquisition of intangible assets	(8,177)	(5,390)
Increase in other financial assets	-	(4,998)
Decrease in other financial assets	68,607	-
Increase in other non-current assets	(112,090)	(2,141)
Increase in prepayments for business facilities	(135,185)	(207,055)
Dividends received	145,764	128,359
Net cash flows from (used in) investing activities	(642,503)	(546,953)
Cash flows from financing activities:		
Increase in short-term borrowings	578,132	511,876
Repayments of long-term debt	(658,885)	(694,806)
Repayments of lease liabilities	(53,721)	(52,444)
Increase in other non-current liabilities	13,657	6,672
Cash dividends	(458,538)	(1,146,345)
Acquisition of ownership interests in subsidiaries	(33,282)	-
Interest paid	(157,692)	(138,297)
Change in non-controlling interests	(175,065)	(123,478)
Net cash flows from (used in) financing activities	(945,394)	(1,636,822)
Effect of exchange rate changes on cash and cash equivalents	176,327	177,696
Net (decrease) in cash and cash equivalents	(951,507)	(217,239)
Cash and cash equivalents at beginning of period	3,076,877	3,033,568
Cash and cash equivalents at end of period	<u>\$2,125,370</u>	<u>\$2,816,329</u>

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

English Translation of Financial Statements Originally Issued in Chinese  
PANJIT INTERNATIONAL INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024 AND 2023  
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

PANJIT INTERNATIONAL INC. (the Company) was incorporated on 20 May 1986, under the Company Act of the Republic of China on Taiwan. The Company's registered address is No. 24, Gangshan N. Rd., Gangshan Dist., Kaohsiung City. The principal activities of the Company are to manufacture, process, assemble and to import and export semiconductors. The Company also assembles, trades and transfers technological advancements of machinery parts. The Company also trades resins and paints for semiconductors.

The Company's stock was officially listed for trading on the OTC market on December 22, 1999, and then listed on the Taiwan Stock Exchange on September 17, 2001.

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Company and its subsidiaries ("the Group") for the nine-month periods ended 30 September 2024 and 2023 were authorized for issue by the Board of Directors on 8 November 2024.

3. Newly issued or revised standards and interpretations

- (1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after 1 January 2024. The adoption of these new standards and amendments had no material impact on the Group.

- (2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Lack of Exchangeability –Amendments to IAS 21	January 1, 2025

(a) Lack of Exchangeability –Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The amendments apply for annual reporting periods beginning on or after January 1, 2025 and have no significant impact on the Group’s assessment.

- (3) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or joint ventures	To be determined by IASB
b	IFRS 17 "Insurance Contracts"	January 1, 2023
c	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
d	IFRS 19 “Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
e	Amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures” - Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
f	Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

- (a) Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Sale or investment of assets between investors and their associates or joint ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

(b) IFRS 17 "Insurance Contracts"

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(c) IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 replaces IAS 1 "Presentation of Financial Statements". The main changes in the new standard are as below:

i. Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities' performance and make it easier to compare entities.

ii. Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

iii. Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(d) IFRS 19 “Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures”

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it. The expected effective date for annual reporting periods beginning on or after January 1, 2027.

(e) Amendments to IFRS 9 “Financial Instruments” (IFRS 9) and IFRS 7 “Financial Instruments: Disclosures” (IFRS 7) - Amendments to the Classification and Measurement of Financial Instruments

The amendments include:

- i. Clarify that a financial liability is derecognized on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- ii. Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- iii. Clarify the treatment of non-recourse assets and contractually linked instruments.
- iv. Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(f) Annual Improvements to IFRS Accounting Standards - Volume 11

- i. Amendments to IFRS 1
- ii. Amendments to IFRS 7
- iii. Amendments to IFRS 7 of Implementation guidance
- iv. Amendments to IFRS 9
- v. Amendments to IFRS 10
- vi. Amendments to IAS 7

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group’s financial statements were authorized for issue, and the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the standards and interpretations listed under (a), (c), (e) and (f), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

#### 4. Summary of material accounting policies

##### (1) Statement of compliance

The consolidated financial statements of the Group for the nine-month periods ended 30 September 2024 and 2023 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and IAS 34 Interim Financial Reporting as endorsed and became effective by the FSC (TIFRSs).

##### (2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars (“\$”) unless otherwise stated.

##### (3) Basis of consolidation

###### Preparation principle of consolidated financial statements

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (b) exposure, or rights, to variable returns from its involvement with the investee, and
- (c) the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee
- (b) rights arising from other contractual arrangements
- (c) the Group’s voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Company loses control of a subsidiary, it:

- (a) derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- (b) derecognizes the carrying amount of any non-controlling interest;
- (c) recognizes the fair value of the consideration received;
- (d) recognizes the fair value of any investment retained;
- (e) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfer directly to retained earnings if required by other IFRSs;
- (f) recognizes any surplus or deficit in profit or loss;

The consolidated entities are listed as follows:

Investor	Subsidiary	Main Business	Percentage of ownership (%)		
			30 Sep. 2024	31 Dec. 2023	30 Sep. 2023
The Company	PAN-JIT ASIA INTERNATIONAL INC.	Investment holding	100.00%	100.00%	100.00%
The Company	Pynmax Technology Co., Ltd.	Manufacture of electronic components and international trade business	94.64%	94.64%	94.64%
The Company	AIDE ENERGY EUROPE COÖPERATIE U.A.	Investment holding	100.00%	100.00%	100.00%
The Company	Champion Microelectronic Corp. ("CMC")	Research and development, design and manufacture and technology consultation of power IC, field effect transistors and fast recovery diodes, international trade	30.68% (Note 8)	30.00%	30.00%
The Company	PANJIT JAPAN INC.	Sale of electronic products	55.00% (Note 9)	50.00% (Note 2)	100.00%
The Company	PAN-JIT INTERNATIONAL (H.K.) LTD.	Sale of electronic products	100.00% (Note 3)	100.00% (Note 3)	—

Investor	Subsidiary	Main Business	Percentage of ownership (%)		
			30 Sep. 2024	31 Dec. 2023	30 Sep. 2023
The Company	PANSTAR SEMICONDUCTOR CO., LTD.	Manufacture of electronic components and international trade business	— (Note 10)	50.00% (Note 4)	—
The Company	PAN JIT KOREA CO., LTD.	Sale of electronic products	60.00% (Note 7)	—	—
The Company	PANJIT Investment Co., Ltd.	Investment holding	100.00% (Note 13)	—	—
PANJIT ASIA INTERNATIONAL INC.	PAN-JIT INTERNATIONAL (H.K.) LTD.	Sale of electronic products	— (Note 3)	— (Note 3)	100.00%
PANJIT ASIA INTERNATIONAL INC.	PAN JIT EUROPE GMBH	Sale of electronic products	100.00%	100.00%	100.00%
PANJIT ASIA INTERNATIONAL INC.	PAN JIT AMERICAS, INC.	Sale of electronic products	95.86%	95.86%	95.86%
PANJIT ASIA INTERNATIONAL INC.	PAN JIT ELECTRONIC (WUXI) CO., LTD.	Manufacture, and process of rectifier	100.00% (Note 1)	100.00% (Note 1)	100.00% (Note 1)
PANJIT ASIA INTERNATIONAL INC.	CONTINENTAL LIMITED	Investment holding	100.00%	100.00%	100.00%
PANJIT ASIA INTERNATIONAL INC.	DYNAMIC TECH GROUP LIMITED	Investment holding	— (Note 1,14)	100.00% (Note 1)	100.00% (Note 1)
PANJIT ASIA INTERNATIONAL INC.	PAN JIT KOREA CO., LTD.	Sale of electronic products	— (Note 7)	60.00%	60.00%
PANJIT ASIA INTERNATIONAL INC.	AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	Investment holding and sale of photovoltaic products	94.43%	94.43%	94.43%
PANJIT ASIA INTERNATIONAL INC.	MAX-DIODE ELECTRONIC., LTD.(SHENZHEN)	New types of electronics components and semiconductor controlled rectifier sales	100.00% (Note 12)	—	—
PYNMAX TECHNOLOGY CO., LTD.	JOYSTAR INTERNATIONAL CO., LTD.	Investment holding	100.00%	100.00%	100.00%
DYNAMIC TECH GROUP LIMITED	MAX-DIODE ELECTRONIC LTD.(SHENZHEN)	New types of electronics components and semiconductor controlled rectifier sales	— (Note 12)	100.00%	100.00%
CONTINENTAL LIMITED	SUZHOU GRANDE ELECTRONICS CO., LTD.	Chip diodes, transistors and other new electronic Semiconductor components and related products, sales of products and provide technical and after-sales service	100.00%	100.00%	100.00%



Investor	Subsidiary	Main Business	Percentage of ownership (%)		
			30 Sep. 2024	31 Dec. 2023	30 Sep. 2023
PAN JIT Electronics (Wuxi) Co., Ltd.	PANJIT Electronics (Beijing) Co., Ltd.	New types of electronic components, Semiconductor controlled rectifier sales	100.00%	100.00%	100.00%
PAN JIT Electronics (Wuxi) Co., Ltd.	PANJIT ELECTRONICS (SHANDONG) CO., LTD.	Manufacture semiconductor wafer for automobile, protection of discrete devices, integrated circuit chip packaged product	70.28%	70.28%	70.28%
PAN JIT Electronics (Wuxi) Co., Ltd.	PANJIT ELECTRONIC (QUFU) CO., LTD.	New types of electronic components, Semiconductor controlled rectifier sales	100.00%	100.00%	100.00%
PAN JIT Electronics (Wuxi) Co., Ltd.	PANJIT SEMICONDUCTOR (XUZHOU) CO., LTD.	New types of electronic components, Semiconductor controlled rectifier sales	100.00%	100.00%	100.00%
AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	JIANGSU AIDE SOLAR ENERGY TECHNOLOGY CO., LTD.	Solar photovoltaic product development, manufacturing, sales, self-agency of goods and technology import and export business	100.00%	100.00%	100.00%
AIDE ENERGY EUROPE COÖPERATIE U.A.	AIDE ENERGY EUROPE B.V.	Investment holding and sales	100.00%	100.00%	100.00%
AIDE ENERGY EUROPE B.V.	EC SOLAR C1 SRL	Solar power generation and sales of electricity	100.00%	100.00%	100.00%
Champion Microelectronic Corp.	Wisdom Bright Inc.	Investment holding	100.00%	100.00%	100.00%
Champion Microelectronic Corp.	Wisdom Mega Corp.	Investment holding	100.00%	100.00%	100.00%
Champion Microelectronic Corp.	PANJIT JAPAN INC.	Sale of electronic products	10.00% (Note 5)	10.00% (Note 5)	—
Champion Microelectronic Corp.	Golden Champion Digital Power Corporation	Manufacture of electronic components and Product design	100.00% (Note 6)	100.00% (Note 6)	—

Investor	Subsidiary	Main Business	Percentage of ownership (%)		
			30 Sep. 2024	31 Dec. 2023	30 Sep. 2023
Wisdom Bright Inc.	Wisdom Toprich Technology Limited	Investment holding	100.00%	100.00%	100.00%
Wisdom Toprich Technology Limited	Great Power Microelectronics Corp.	Electronic products development, product import, export, and wholesale business	100.00%	100.00%	100.00%
PANJIT Investment Co., Ltd.	PANSTAR SEMICONDUCTOR CO., LTD.	Manufacture of electronic components and international trade business	33.33% (Note 10)	—	—
PANJIT Investment Co., Ltd.	MetaWellS Co., Ltd.	Manufacture of electronic components and international trade business	100.00% (Note 11)	—	—

(Note 1) : PAN-JIT ASIA INTERNATIONAL INC. owned 100.00% of the shares with other subsidiaries, which are consolidated into the Company's financial statements.

(Note 2) : The company established PANJIT JAPAN Inc. in Japan in March 2023. Panjit Japan Inc. increased its capital in October 2023, and the Company's shareholding ratio was reduced from 100% to 50%.

(Note 3) : The company acquired 100% equity of PAN-JIT INTERNATIONAL (H.K.) LTD. from PAN-JIT ASIA INTERNATIONAL INC. in October 2023.

(Note 4) : The company acquired a 50% equity in PANSTAR SEMICONDUCTOR CO., LTD. in December 2023.

(Note 5) : CMC. acquired 10% of the shares of PANJIT JAPAN Inc. in October 2023.

(Note 6) : CMC. established Golden Champion Digital Power Corporation in December 2023.

(Note 7) : The company acquired 60% equity of PAN JIT KOREA CO., LTD. from PAN-JIT ASIA INTERNATIONAL INC. in April 2024.

(Note 8) : The Company acquired the share of CMC. which increased the percentage of ownership interests from 30% to 30.68% in June, July, and August 2024.

(Note 9) : The Company acquired the 5% shares of PANJIT JAPAN Inc. from its associated enterprises, MILDEX OPTICAL INC. which increased the percentage of ownership interests from 50% to 55% in June 2024.

(Note 10) : PANSTAR SEMICONDUCTOR CO., LTD. increased its capital in May 2024, and the Company's shareholding ratio was decreased from 50% to 33.33%. PANJIT Investment Co., Ltd. acquired 33.33% equity of PANSTAR SEMICONDUCTOR CO., LTD. from the Company in September 2024.

- (Note 11) : The Company established MetaWeIIs Co., Ltd. in April 2024. PANJIT Investment Co., Ltd. acquired 100.00% equity of MetaWeIIs Co., Ltd. from the Company in September 2024.
- (Note 12) : PAN-JIT ASIA INTERNATIONAL INC. acquired 100% equity of MAX-DIODE ELECTRONIC., LTD.(SHENZHEN) from DYNAMIC TECH GROUP LIMITED in May 2024.
- (Note 13) : The Company established PANJIT Investment Co., Ltd. in August 2024.
- (Note 14) : DYNAMIC TECH GROUP LIMITED has completed its dissolution and liquidation in August 2024.

The financial statements of some of the consolidated subsidiaries listed above had not been reviewed by auditors. As of 30 September 2024 and 2023, the related assets of the subsidiaries which were unreviewed by auditors amounted to \$5,241,413 thousand and \$4,296,442 thousand respectively, and the related liabilities amounted to \$1,024,766 thousand and \$814,282 thousand, respectively. The comprehensive income of these subsidiaries amounted to (\$230,865) thousand, (\$354,163) thousand, \$35,549 thousand, and \$186,580 thousand for the three-month and nine-month periods ended 30 September 2024 and 2023, respectively.

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in NT\$, which is also the parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- (a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- (b) Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.
- (c) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT\$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

- (a) when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
- (b) when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Classification Standard for Distinguishing Current and Non-current Assets and Liabilities

An asset is classified as current when:

- (a) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- (b) The Group holds the asset primarily for the purpose of trading
- (c) The Group expects to realize the asset within twelve months after the reporting period
- (d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (a) The Group expects to settle the liability in its normal operating cycle
- (b) The Group holds the liability primarily for the purpose of trading
- (c) The liability is due to be settled within twelve months after the reporting period
- (d) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits (including fixed-term deposits that have maturity within three months from the date of acquisition) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- (a) the Group's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

#### Financial asset measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- (a) purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- (b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

#### Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- (a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- (b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- (c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
  - (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
  - (ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

#### Financial assets measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

#### B. Impairments of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

- (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) the time value of money; and
- (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

- (a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- (b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- (c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
- (d) For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.



### C. Derecognition of financial assets

A financial asset is derecognized when:

- i. The rights to receive cash flows from the asset have expired
- ii. The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- iii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

### D. Financial liabilities and equity

#### Classification between liabilities and equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

#### Compound instruments

The Group evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Group assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled. For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 Financial Instruments.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

### Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

### Financial liabilities measured at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- i. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- ii. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- iii. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

- i. it eliminates or significantly reduces a measurement or recognition inconsistency; or
- ii. a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

#### Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

#### Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

### E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Derivative instruments

The Group uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss (held for trading) except for derivatives that are designated effective hedging instruments which are classified as derivative financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are separated from the host contract and accounted for as a derivative.

(10) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(11) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials –Purchase cost on weighted average cost basis

Finished goods and work in progress – Cost of direct materials, labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(12) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction that is highly probable within one year from the date of classification and the asset or disposal group is available for immediate sale in its present condition. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

In the consolidated statement of comprehensive income of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the statement of comprehensive income.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

(13) Investments accounted for using the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Group's percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a prorata basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 Investments in Associates and Joint Ventures. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Group estimates:

- i. Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
- ii. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

#### (14) Property, plant, and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	1 ~ 52 years
Machinery and equipment	1 ~ 15 years
Utilities equipment	1 ~ 13 years
Transportation equipment	1 ~ 10 years
Office equipment	1 ~ 10 years
Leasehold improvements	1 ~ 20 years
Other equipment	1 ~ 25 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate. These changes are treated as accounting estimates.

#### (15) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

- (a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
- (b) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

##### Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (c) amounts expected to be payable by the lessee under residual value guarantees;
- (d) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.



After the commencement date, the Group measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date, less any lease incentives received;
- (c) any initial direct costs incurred by the lessee; and
- (d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

#### Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

#### (16) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

A summary of the policies applied to the Group's intangible assets is as follows:

	Computer software	Technical skills	Other intangible assets	Patents
Useful lives	Finite(1~10 years)	Finite(3 years)	Finite (1~10 years)	Finite (14 years)
Amortization method used	Amortized on a straight- line basis over the estimated useful life	Amortized on a straight- line basis over the estimated useful life	Amortized on a straight- line basis over the estimated useful life	Amortized on a straight- line basis over the estimated useful life
Internally generated or acquired	Acquired	Acquired	Acquired	Acquired

#### (17) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro-rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

#### (18) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The liability to pay a levy is recognized progressively if the obligating event occurs over a period of time.

#### Provision for warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

#### (19) Treasury stock

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

#### (20) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods. The accounting policies are explained as follows:

##### Sales of goods

The Group manufactures and sells goods. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Group is Power Discrete and revenue is recognized based on the consideration stated in the contract.

The Group provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

The credit period of the Group's sale of goods is from 30 to 120 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contracts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses. However, for some contracts, part of the consideration was received from customers upon signing the contract, and the Group has the obligation to transfers the goods subsequently; accordingly, these amounts are recognized as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, no significant financing component has arisen.

In contracts between the Group and its customers, the period during which the promised goods are delivered to the customer and the customer paid was not more than one year. Therefore, the Group didn't adjust the transaction price for the time value of money.

(21) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(22) Government grants

The Group only recognizes government subsidy income when it can reasonably be sure that it will meet the conditions set by the government subsidy and can receive the inflow of economic benefits from the government subsidy. When the subsidy is related to an asset, the government subsidy is recognized as deferred income and recognized as income in installments over the expected useful life of the relevant asset; when the subsidy is related to an expense item, the government subsidy is recognized as income with a reasonable and systematic method to match the expected period of the related costs' occurrence.

When the Group obtains non-monetary government subsidies, the assets and subsidies received are recognized at the nominal amount, and the gain is recognized in the consolidated income statement in equal installments based on the expected useful life and benefit consumption pattern of the underlying assets. Obtaining loans or similar subsidy from the government or related institutions that are lower than the market interest rate is regarded as an additional government subsidy.

(23) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

- (a) the date of the plan amendment or curtailment, and
- (b) the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

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 and disclosed for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

#### (24) Share-based payment transactions

The cost of equity-settled transactions between the Company and its employees is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it fully vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substitutes for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The cost of restricted shares issued is recognized as salary expense based on the fair value of the equity instruments on the grant date, together with a corresponding increase in other capital reserves in equity, over the vesting period. The Company recognized unearned employee salary which is a transitional contra equity account; the balance in the account will be recognized as salary expense over the passage of vesting period.

#### (25) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

##### Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

##### Deferred income tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- ii. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- i. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), deferred tax assets and liabilities related to Pillar Two income tax will not be recognized nor disclosed.

Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. The estimated average annual effective income tax rate only includes current income tax. The recognition and measurement of deferred tax follows annual financial reporting requirements in accordance with IAS 12. The Group recognizes the effect of change in tax rate for deferred taxes in full if the new tax rate is enacted by the end of the interim reporting period, by charging to profit or loss, other comprehensive income, or directly to equity.



## (26) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired, and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 Financial Instruments either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

## 5. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### (a) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flow model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

#### (b) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note 6.

#### (c) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and changes of the future salary increases.

(d) Revenue recognition - Sales returns or allowance

The Group estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales returns and allowance, revenue is recognized to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Please refer to Note 6 for more details.

(e) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

(f) Trade receivables—estimation of impairment loss

The Group estimates the impairment loss of trade receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(g) Inventories

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices may decline. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Notes 6 for more details.

6. Description of major accounting subjects

(1) Cash and cash equivalents

	2024.09.30	2023.12.31	2023.09.30
Cash on hand	\$1,418	\$1,229	\$1,029
Checking, demand deposits and time deposits	2,123,952	3,075,648	2,815,300
Total	<u>\$2,125,370</u>	<u>\$3,076,877</u>	<u>\$2,816,329</u>

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

	2024.09.30	2023.12.31	2023.09.30
Mandatorily measured at fair value through profit or loss:			
Funds	\$3,013,123	\$2,021,951	\$1,316,630
Stocks	684	1,400	957
Notes and bills	1,383,105	1,341,809	1,119,769
Convertible bonds	116,925	18,397	23,576
Structured Product	420,325	—	—
Derivatives not designated as hedging instruments			
Forward exchange agreement and cross currency swap contracts	2,383	4,225	—
Total	<u>\$4,936,545</u>	<u>\$3,387,782</u>	<u>\$2,460,932</u>
Current	\$4,368,358	\$3,325,793	\$2,417,231
Non-current	568,187	61,989	43,701
Total	<u>\$4,936,545</u>	<u>\$3,387,782</u>	<u>\$2,460,932</u>

Financial assets at fair value through profit or loss were not pledged.

(3) Financial assets at fair value through other comprehensive income - non-current

	2024.09.30	2023.12.31	2023.09.30
Equity instrument investments measured at fair value through other comprehensive income — Non-current:			
Listed companies stocks	\$144,755	\$155,411	\$169,974
Unlisted companies stocks	381,493	337,837	364,521
Total	<u>\$526,248</u>	<u>\$493,248</u>	<u>\$534,495</u>

Financial assets at fair value through other comprehensive income were not pledged.

In consideration of disposition according to the Group's investment strategy, the Group derecognized certain equity instrument investments measured at fair value through other comprehensive income. Details on derecognition of the investments for the nine-month periods ended 30 September 2024 and 2023 are as follows:

	For the nine-month periods ended 30 September	
	2024	2023
The fair value of the investments at the date of derecognition	\$3,815	\$443
The cumulative gain or loss on disposal reclassified from other equity to retained earnings	\$432	(\$55)

The Group's dividend income related to equity instrument investments measured at fair value through other comprehensive income for the nine-month periods ended 30 September 2024 and 2023 are as follow:

	For the nine-month periods ended 30 September	
	2024	2023
Dividends recognized during the period	\$2,602	\$7,626

(4) Financial assets measured at amortized cost - non-current

	2024.09.30	2023.12.31	2023.09.30
Financial products	\$28,536	\$27,511	\$27,489

Financial assets measured at amortized cost were not pledged.

(5) Notes receivables

	2024.09.30	2023.12.31	2023.09.30
Notes receivables arising from operating activities	\$524,520	\$590,324	\$712,377
Less:loss allowance	—	—	—
Total	\$524,520	\$590,324	\$712,377

Notes receivables of the Group were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6.(20) for more details on loss allowance and Note 12 for details on credit risk.

(6) Trade receivables and Trade receivables-related parties

	2024.09.30	2023.12.31	2023.09.30
Trade receivables	\$5,340,949	\$4,952,624	\$5,460,692
Less: loss allowance	(1,559,356)	(1,509,601)	(1,580,502)
Subtotal	3,781,593	3,443,023	3,880,190
Trade receivables - related parties	28,524	39,589	55,585
Total	<u>\$3,810,117</u>	<u>\$3,482,612</u>	<u>\$3,935,775</u>

Trade receivables of the Group were not pledged.

Trade receivables are generally on 30 to 120 day terms. The total carrying amount as of 30 September 2024, 31 December 2023 and 30 September 2023 were \$ 5,369,473 thousand, \$ 4,992,213 thousand and \$ 5,516,277 thousand, respectively. Please refer to Note 6.(20) for more details on loss allowance of trade receivables for the nine-month periods ended 30 September 2024 and 2023. Please refer to Note 12 for more details on credit risk management.

(7) Inventories

	2024.09.30	2023.12.31	2023.09.30
Raw materials	\$1,083,668	\$1,405,539	\$1,482,853
Work in process	362,816	402,994	445,475
Finished goods	1,171,376	1,198,447	1,229,756
Total	<u>\$2,617,860</u>	<u>\$3,006,980</u>	<u>\$3,158,084</u>

The cost of inventories recognized in expenses amounted to \$ 2,361,008 thousand and \$ 6,865,336 thousand for the three-month and nine-month periods ended 30 September 2024, respectively, including the valuation loss of inventories of \$ 1,125 thousand and \$ 39,480 thousand, respectively.

The cost of inventories recognized in expenses amounted to \$2,434,342 thousand and \$7,239,941 thousand for the three-month and nine-month periods ended 30 September 2023, respectively, including the valuation loss of inventories of \$ 40,270 thousand and \$178,092 thousand, respectively.

No inventories were pledged.

(8) Investments accounted for using the equity method

Investees	2024.09.30		2023.12.31		2023.09.30	
	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:						
ZIBO MICRO COMMERCIAL COMPONENT CORP.	\$141,016	18.86%	\$133,044	18.86%	\$139,197	18.86%
MILDEX OPTICAL INC.	325,739	29.28%	317,774	29.28%	334,239	29.28%
ALLTOP THCHNOLOGY CO., LTD.	1,639,389	18.12%	1,567,662	19.13%	1,555,829	19.15%
	<u>\$2,106,144</u>		<u>\$2,018,480</u>		<u>\$2,029,265</u>	

Information on the material associate of the Group:

Company Name: ALLTOP TECHNOLOGY CO., LTD.

Nature of the relationship with the associate: ALLTOP TECHNOLOGY CO., LTD. is in the business of research and development, manufacturing and sale of connectors, primarily for servers, automotive and industrial application. Alltop's future development strategy aligns with the Group's targeted business areas. The Group invests in the company with an aim to integrate the resources of both companies, and expand business areas including servers, laptops, automotive, industrial and networking equipment. This is to create synergies between the two firms and to provide customers with more full-range products and services.

Fair value of the investment in the associate when there is a quoted market price for the investment: ALLTOP TECHNOLOGY CO., LTD. is a listed entity on the Taipei Exchange (TPEX). The fair value of the investment in ALLTOP TECHNOLOGY CO., LTD. accounted for using the equity method amounted to \$ 2,888,128 thousand as of September 30, 2024.

Reconciliation of the associate's summarized financial information presented to the carrying amount of the Group's interest in the associate:

	2024.09.30
Assets	\$5,727,327
Liabilities	2,474,114
Equity	3,253,213
Proportion of the Group's ownership	18.12%
Subtotal	589,482
Goodwill	988,226
Patents	34,927
Others (Note)	26,754
Carrying amount of the investment	\$1,639,389

(Note): The variance was because the conversion of the convertible bonds into common stocks occurred after acquisition date.

The summarized financial information was as follows:

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Operating revenue	\$908,873	\$682,380	\$2,265,627	\$1,708,358
Profit from continuing operations	\$266,342	\$209,488	\$705,178	\$489,777
Other comprehensive income (post-tax)	(\$24,724)	\$112,759	\$122,381	\$54,119
Total comprehensive income	\$241,618	\$322,247	\$827,559	\$543,896

The Group's investments in ZIBO MICRO COMMERCIAL COMPONENT CORP. are not individually material. The aggregate carrying amount of the Group's interests in ZIBO MICRO COMMERCIAL COMPONENT CORP. is \$ 141,016 thousand, \$ 133,044 thousand and \$ 139,197 thousand as of 30 September 2024, 31 December 2023, and 30 September 2023. The aggregate financial information of the Group's investments in associates is as follows:

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Profit(loss) from continuing operations	\$1,958	(\$1,796)	\$1,967	(\$5,865)
Other comprehensive income (post-tax)	\$—	\$—	\$—	\$—
Total comprehensive income	\$1,958	(\$1,796)	\$1,967	(\$5,865)

The Group's investments in MILDEX OPTICAL INC. are not individually material. The aggregate carrying amount of the Group's interests in MILDEX OPTICAL INC. is \$325,739 thousand, \$317,774 thousand and \$334,239 thousand as of 30 September 2024, 31 December 2023 and 30 September 2023. The aggregate financial information of the Group's investments in associates is as follows:

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Profit(loss) from continuing operations	\$3,616	\$2,661	\$4,791	\$11,981
Other comprehensive income (post-tax)	(\$5,216)	\$14,294	\$14,553	\$18,279
Total comprehensive income	(\$1,600)	\$16,955	\$19,344	\$30,260

The share of the profit or loss of these associates accounted for using the equity method amount to \$1,958 thousand and \$1,967 thousand for the three-month and nine-month periods ended 30 September 2024, respectively. These amounts were based on unreviewed financial statements of the investees.

The share of the profit or loss of these associates accounted for using the equity method amount to (\$1,796) thousand and (\$5,865) thousand for the three-month and nine-month periods ended 30 September 2023, respectively. These amounts were based on unreviewed financial statements of the investees.

The associates had no contingent liabilities or capital commitments, and no pledges as of 30 September 2024, 31 December 2023, and 30 September 2023.

#### (9) Property, plant, and equipment

	2024.09.30	2023.12.31	2023.09.30
Owner occupied property, plant and equipment	\$7,370,005	\$7,736,079	\$7,741,507
Property, plant and equipment leased out under operating leases	91,688	65,073	80,166
Total	<u>\$7,461,693</u>	<u>\$7,801,152</u>	<u>\$7,821,673</u>



i. Owner occupied property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Utilities equipment	Office equipment	Leasehold improvements	Other equipment	Construction in progress and equipment awaiting examination	Total
<b>Cost:</b>										
As at 1 Jan. 2024	\$581,622	\$1,725,147	\$10,189,298	\$19,086	\$187,316	\$152,785	\$70,363	\$1,682,474	\$2,291,065	\$16,899,156
Additions	—	2,810	95,934	941	1,912	5,149	912	52,463	58,669	218,790
Disposals	—	—	(187,965)	(384)	(11,598)	(11,063)	—	(37,475)	—	(248,485)
Transfers	—	521,984	1,698,334	—	—	65	—	71,296	(2,263,720)	27,959
Exchange differences	93	36,856	140,752	583	—	2,495	2,815	23,675	1,174	208,443
As at 30 Sep. 2024	<u>\$581,715</u>	<u>\$2,286,797</u>	<u>\$11,936,353</u>	<u>\$20,226</u>	<u>\$177,630</u>	<u>\$149,431</u>	<u>\$74,090</u>	<u>\$1,792,433</u>	<u>\$87,188</u>	<u>\$17,105,863</u>
<b>Depreciation and impairment:</b>										
As at 1 Jan. 2024	\$—	(\$786,589)	(\$6,777,701)	(\$14,674)	(\$168,867)	(\$115,088)	(\$46,139)	(\$1,254,019)	\$—	(\$9,163,077)
Depreciation	—	(58,933)	(507,900)	(1,254)	(2,981)	(10,374)	(2,221)	(83,237)	—	(666,900)
Disposals	—	—	154,525	384	11,598	8,656	—	39,882	—	215,045
Impairment losses (reversal)	—	—	21	—	—	—	—	—	—	21
Transfer	—	(184)	(4,527)	(1)	(166)	—	—	(1,232)	—	(6,110)
Exchange differences	—	(22,200)	(68,866)	(486)	—	(2,107)	(1,817)	(19,361)	—	(114,837)
As at 30 Sep. 2024	<u>\$—</u>	<u>(\$867,906)</u>	<u>(\$7,204,448)</u>	<u>(\$16,031)</u>	<u>(\$160,416)</u>	<u>(\$118,913)</u>	<u>(\$50,177)</u>	<u>(\$1,317,967)</u>	<u>\$—</u>	<u>(\$9,735,858)</u>

									Construction in progress and equipment awaiting examination	
	Land	Buildings	Machinery and equipment	Transportation equipment	Utilities equipment	Office equipment	Leasehold improvements	Other equipment		Total
<b>Cost:</b>										
As at 1 Jan. 2023	\$581,768	\$1,678,591	\$10,114,852	\$17,920	\$185,702	\$157,386	\$67,078	\$1,613,863	\$1,964,143	\$16,381,303
Additions	–	6,835	194,063	–	400	4,700	852	44,489	210,854	462,193
Disposals	–	–	(200,512)	(38)	–	(9,803)	–	(27,109)	–	(237,462)
Transfers	–	25,626	324,398	365	–	735	5,156	23,937	123,342	503,559
Exchange differences	(119)	306	5,793	3	–	594	2,443	857	14	9,891
As at 30 Sep. 2023	<u>\$581,649</u>	<u>\$1,711,358</u>	<u>\$10,438,594</u>	<u>\$18,250</u>	<u>\$186,102</u>	<u>\$153,612</u>	<u>\$75,529</u>	<u>\$1,656,037</u>	<u>\$2,298,353</u>	<u>\$17,119,484</u>
<b>Depreciation and impairment:</b>										
As at 1 Jan. 2023	\$–	(\$741,757)	(\$6,787,961)	(\$12,624)	(\$165,538)	(\$111,713)	(\$41,516)	(\$1,190,247)	\$–	(\$9,051,356)
Depreciation	–	(39,054)	(415,668)	(1,189)	(3,017)	(11,696)	(2,569)	(79,733)	–	(552,926)
Disposals	–	–	197,497	24	–	9,803	–	26,484	–	233,808
Impairment losses	–	–	52	–	–	–	–	–	–	52
Transfer	–	4,557	(1,176)	–	–	–	(4,669)	–	–	(1,288)
Exchange differences	–	(737)	(2,822)	1	–	(567)	(1,479)	(663)	–	(6,267)
As at 30 Sep. 2023	<u>\$–</u>	<u>(\$776,991)</u>	<u>(\$7,010,078)</u>	<u>(\$13,788)</u>	<u>(\$168,555)</u>	<u>(\$114,173)</u>	<u>(\$50,233)</u>	<u>(\$1,244,159)</u>	<u>\$–</u>	<u>(\$9,377,977)</u>
<b>Net carrying amount as at:</b>										
2024.09.30	<u>\$581,715</u>	<u>\$1,418,891</u>	<u>\$4,731,905</u>	<u>\$4,195</u>	<u>\$17,214</u>	<u>\$30,518</u>	<u>\$23,913</u>	<u>\$474,466</u>	<u>\$87,188</u>	<u>\$7,370,005</u>
2023.12.31	<u>\$581,622</u>	<u>\$938,558</u>	<u>\$3,411,597</u>	<u>\$4,412</u>	<u>\$18,449</u>	<u>\$37,697</u>	<u>\$24,224</u>	<u>\$428,455</u>	<u>\$2,291,065</u>	<u>\$7,736,079</u>
2023.09.30	<u>\$581,649</u>	<u>\$934,367</u>	<u>\$3,428,516</u>	<u>\$4,462</u>	<u>\$17,547</u>	<u>\$39,439</u>	<u>\$25,296</u>	<u>\$411,878</u>	<u>\$2,298,353</u>	<u>\$7,741,507</u>

ii. Property, plant and equipment leased out under operating leases

	Land	Buildings	Total
<b>Cost:</b>			
As at 1 Jan. 2024	\$50,515	\$22,553	\$73,068
Transfer	—	28,726	28,726
Exchange differences	—	—	—
As at 30 Sep. 2024	<u>\$50,515</u>	<u>\$51,279</u>	<u>\$101,794</u>
<b>Depreciation and impairment:</b>			
As at 1 Jan. 2024	\$—	(\$7,995)	(\$7,995)
Depreciation	—	(627)	(627)
Transfer	—	(1,484)	(1,484)
Exchange differences	—	—	—
As at 30 Sep. 2024	<u>\$—</u>	<u>(\$10,106)</u>	<u>(\$10,106)</u>
	Land	Buildings	Total
<b>Cost:</b>			
As at 1 Jan. 2023	\$50,515	\$43,859	\$94,374
Exchange differences	—	34	34
As at 30 Sep. 2023	<u>\$50,515</u>	<u>\$43,893</u>	<u>\$94,408</u>
<b>Depreciation and impairment:</b>			
As at 1 Jan. 2023	\$—	(\$13,028)	(\$13,028)
Depreciation	—	(1,201)	(1,201)
Exchange differences	—	(13)	(13)
As at 30 Sep. 2023	<u>\$—</u>	<u>(\$14,242)</u>	<u>(\$14,242)</u>
<b>Net carrying amount as at:</b>			
2024.09.30	<u>\$50,515</u>	<u>\$41,173</u>	<u>\$91,688</u>
2023.12.31	<u>\$50,515</u>	<u>\$14,558</u>	<u>\$65,073</u>
2023.09.30	<u>\$50,515</u>	<u>\$29,651</u>	<u>\$80,166</u>

Capitalized borrowing costs of construction in progress for the nine-month periods ended 30 September 2024 and 2023 are both \$0.

There are no property, plant and equipment under pledge.

## (10) Intangible assets

	Computer software	Technical skills	Other intangible assets	Goodwill	Patents	Total
<b>Cost:</b>						
As at 1 Jan. 2024	\$135,704	\$437	\$182,863	\$1,950,260	\$61,927	\$2,331,191
Additions - acquired separately	7,232	—	945	—	—	8,177
Disposals	(5,956)	—	(3,000)	—	—	(8,956)
Transfers	(61)	—	—	—	—	(61)
Exchange differences	862	19	7,333	17,726	—	25,940
As at 30 Sep. 2024	<u>\$137,781</u>	<u>\$456</u>	<u>\$188,141</u>	<u>\$1,967,986</u>	<u>\$61,927</u>	<u>\$2,356,291</u>
As at 1 Jan. 2023	\$174,304	\$445	\$167,102	\$1,946,341	\$62,227	\$2,350,419
Additions - acquired separately	3,876	—	1,514	—	—	5,390
Disposals	(25,230)	—	—	—	(300)	(25,530)
Exchange differences	329	—	4,341	26,813	—	31,483
As at 30 Sep. 2023	<u>\$153,279</u>	<u>\$445</u>	<u>\$172,957</u>	<u>\$1,973,154</u>	<u>\$61,927</u>	<u>\$2,361,762</u>
<b>Amortization and impairment:</b>						
As at 1 Jan. 2024	(\$104,619)	(\$250)	(\$109,399)	(\$458,355)	(\$9,099)	(\$681,722)
Amortization	(10,722)	(112)	(11,024)	—	(2,322)	(24,180)
Disposals	5,956	—	3,000	—	—	8,956
Transfers	61	—	—	—	—	61
Exchange differences	(824)	(13)	(4,521)	(14,107)	—	(19,465)
As at 30 Sep. 2024	<u>(\$110,148)</u>	<u>(375)</u>	<u>(121,944)</u>	<u>(472,462)</u>	<u>(11,421)</u>	<u>(716,350)</u>
As at 1 Jan. 2023	(\$129,248)	(\$107)	(\$95,504)	(\$458,430)	(\$5,772)	(\$689,061)
Amortization	(20,623)	(111)	(8,949)	—	(2,852)	(32,535)
Disposals	25,230	—	—	—	300	25,530
Exchange differences	(324)	—	(2,350)	(23,287)	—	(25,961)
As at 30 Sep. 2023	<u>(\$124,965)</u>	<u>(\$218)</u>	<u>(\$106,803)</u>	<u>(\$481,717)</u>	<u>(\$8,324)</u>	<u>(\$722,027)</u>
<b>Net Carrying Amount:</b>						
2024.09.30	<u>\$27,633</u>	<u>\$81</u>	<u>\$66,197</u>	<u>\$1,495,524</u>	<u>\$50,506</u>	<u>\$1,639,941</u>
2023.12.31	<u>\$31,085</u>	<u>\$187</u>	<u>\$73,464</u>	<u>\$1,491,905</u>	<u>\$52,828</u>	<u>\$1,649,469</u>
2023.09.30	<u>\$28,314</u>	<u>\$227</u>	<u>\$66,154</u>	<u>\$1,491,437</u>	<u>\$53,603</u>	<u>\$1,639,735</u>

Amortization expense of intangible asset:

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Operating costs	\$1,571	\$3,126	\$5,136	\$9,474
Operating expenses	\$6,144	\$5,955	\$19,044	\$23,061

(11) Impairment testing on goodwill

For the purpose of impairment testing, the goodwill acquired as a result of business combinations has been allocated to two cash-generating units, which are also operating and reportable segments as follows:

- (a) Power Discrete;
- (b) Power IC and components

Carrying amount of goodwill allocated to each of the cash-generating units of diodes:

	2024.09.30	2023.12.31	2023.09.30
Power Discrete	\$110,044	\$106,425	\$105,957
Power IC and components	1,385,480	1,385,480	1,385,480
Total of Goodwill	\$1,495,524	\$1,491,905	\$1,491,437

Power Discrete

The impairment testing of goodwill was conducted for the cash-generating unit of Power Discrete on 30 September 2024. This recoverable amount has been determined based on a value in use calculation using cash flow projections from five-year financial budgets approved by management. The projected cash flows have been updated to reflect the change in demand for products. For the rest of the cash generating units, the pre-tax discount rate applied to cash flow projections in 2023 was between 12.60% and 13.08%, and the growth rate was the same as the long-term average growth rate for the industry. Based on the result of this analysis, management did not identify an impairment for goodwill which was allocated to this cash-generating unit.

Power IC and components

The impairment testing of goodwill was conducted for the cash-generating unit of Power IC and components on 30 September 2024. This recoverable amount has been determined based on a value in use calculation using cash flow projections from five-year financial budgets approved by management. The projected cash flows have been updated to reflect the change in demand for products. For the rest of the cash generating units, the pre-tax discount rate applied to cash flow projections in 2023 was 13.76%, and the growth rate was the same as the long-term average growth rate for the industry. Based on the result of this analysis, management did not identify an impairment for goodwill which was allocated to this cash-generating unit.

#### Key assumptions used in value-in-use calculations

Gross margins – Gross margins are based on operating results and further average values achieved in the years preceding the start of the budget period.

Discount rates – Discount rates reflect the current market assessment of the risks specific to each cash generating unit (including the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted). The discount rate was estimated based on the weighted average cost of capital (WACC) for the Group, taking into account the particular situations of the Group and its operating segments. The WACC includes both the cost of liabilities and cost of equities. The cost of equities is derived from the expected returns of the Group's investors on capital, where the cost of liabilities is measured by the interest bearing loans that the Group has obligation to settle. Specific risk relating to the operating segments is accounted for by considering the individual beta factor which is evaluated annually and based on publicly available market information.

Growth rate estimates – Rates are based on published industry research.

#### Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the diodes, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

#### (12) Short-term borrowings

Details of the short-term borrowings are as follows:

	2024.09.30	2023.12.31	2023.09.30
Unsecured bank loans	\$3,281,810	\$2,689,193	\$3,277,747
Interest rates	1.70% ~ 6.04%	1.60% ~ 6.51%	1.60% ~ 5.42%
Due date	2024.10.02 ~ 2025.07.04	2024.01.12 ~ 2024.04.15	2023.10.11 ~ 2024.04.05

The Group's unused short-term lines of credits amount to \$13,880,622 thousand, \$13,362,981 thousand and \$13,107,011 thousand, as of 30 September 2024, 31 December 2023 and 30 September 2023, respectively.

#### (13) Financial liabilities at fair value through profit or loss - Current

	2024.09.30	2023.12.31	2023.09.30
Held for trading:			
Derivatives not designated as hedging Instruments			
Forward exchange agreement and cross currency swap contracts	\$33	\$-	\$4,831

(14) Notes payable

	2024.09.30	2023.12.31	2023.09.30
Notes payable arising from operating activities	<u>\$407,264</u>	<u>\$636,740</u>	<u>\$690,154</u>

(15) Long-term deferred revenue

	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Beginning balance	\$61,566	\$98,807
Additions	—	—
Recognized to the statement of comprehensive income	(8,967)	(12,097)
Exchange differences	2,036	101
Ending Balance	<u>\$54,635</u>	<u>\$86,811</u>

	2024.09.30	2023.12.31	2023.09.30
Non-current deferred revenue - related to assets	<u>\$54,635</u>	<u>\$61,566</u>	<u>\$86,811</u>

Government grants have been received for the purchase of certain items of property, plant and equipment and land use right. There are no unfulfilled conditions or contingencies attached to these grants recognized to the statement of comprehensive income.

(16) Long-term borrowings

Details of the long-term borrowings are as follows:

Lenders	2024.09.30	2023.12.31	2023.09.30
Syndicated bank Loan (A)	\$3,500,000	\$2,900,000	\$2,100,000
Syndicated bank Loan (B)	130,330	33,980	33,910
Project finance (C)	323,917	436,042	473,417
Project finance (D)	775,000	831,250	850,000
Project finance (E)	612,500	809,375	875,000
Project finance (F)	43,333	58,333	63,333
Unsecured bank loans	<u>819,828</u>	<u>1,800,000</u>	<u>1,450,000</u>
Subtotal	6,204,908	6,868,980	5,845,660
(Less): Due within one year	(689,609)	(507,000)	(507,000)
(Less): Discount on long-term notes	—	—	(366)
(Less): Unamortized cost of syndicated loan	(1,013)	(3,558)	(4,682)
(Less): Deferred government grants	(9,151)	(15,769)	(18,239)
Total	<u>\$5,505,135</u>	<u>\$6,342,653</u>	<u>\$5,315,373</u>
	2024.09.30	2023.12.31	2023.09.30
Interest rate range	1.53% ~ 5.98%	1.40% ~ 4.74%	1.40% ~ 4.61%

(A) On 17 August 2021, the Company entered into a syndicated loan contract with 10 financial institutions and the amount of the loan facility was NT\$4,200,000 thousand for a period of five years starting from the first day the facility is drawn. The facility must be drawn within three months from the execution date of the contract, otherwise the maturity of the said three-month period shall be deemed the first drawdown day. The extract of terms of the contract are as follows:

- a. The total amount of the syndicated loan is NT\$4,200,000 thousand.
- b. Terms of the syndicated loan agreement:
  - i. Category 1: Medium-term loan of \$4,200,000 thousand, which can be used cyclically in accordance with this contract.
  - ii. Category 2: Commercial paper of \$2,940,000 thousand, which can be used cyclically in accordance with this contract.
- c. The total amount of category 1 and category 2 shall not exceed the total amount of the syndicated loan.
- d. Terms of financial ratios:

Within the contract period, the Company is required to calculate annually the financial ratios and agree with assigned threshold based on the figures from audited consolidated financial report.

  - i. Current ratio (current assets/ current liability): higher than 100%.
  - ii. Debt ratio (liability / equity): lower than 200%.
  - iii. Interest coverage ratio **【 ( net profit before tax + interest expense + depreciation + amortization ) / interest expense 】** : higher than 2.5 times.
  - iv. Net worth: higher than NT\$5,300,000 thousand or USD equivalent.

(B) On 16 June 2022, the subsidiary, PAN-JIT ASIA INTERNATIONAL INC., entered into a syndicated loan contract with 11 financial institutions and the amount of the loan facility was US\$80,000 thousand for a period of five years starting from the first day the facility is drawn. The facility must be drawn within three months from the execution date of the contract, otherwise the maturity of the said three-month period shall be deemed the first drawdown day. The extract of terms of the contract are as follows:

- a. Terms of the syndicated loan agreement:

The line of credit of the medium-term loan is US\$80,000 thousand, which can be used as a revolving loan within the credit period.

Terms of financial ratios: Within the contract period, the Company should annually calculate the financial ratios and agree with the assigned figures based on the data from audited consolidated financial report.



- i. Current ratio (current asset / current liability): higher than 100%.
- ii. Debt ratio (liability / equity): lower than 200%.
- iii. Interest coverage ratio  $\left[ \frac{\text{net profit before tax} + \text{interest expense} + \text{depreciation} + \text{amortization}}{\text{interest expense}} \right]$  : higher than 2.5 times.
- iv. Total Equity: higher than \$5,300,000 thousand.

Certain other non-current assets are pledged as first priority security for the secured syndicated loans, please refer to Notes 8 for more details.

- (C) On 9 September 2019, the Company entered into a credit agreement with Taishin International Bank in the amount of NT\$600,000 thousand for the investment program for Welcome Overseas Taiwanese Businesses to return to invest in Taiwan. The related terms are as following:

Credit line	Credit Period	Interest rate	Repayment method
\$400,000	Seven years from the date of first drawdown	In accordance with the two-year time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.525%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.
\$200,000	Seven years from the date of first drawdown	In accordance with the two-year time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.525%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.

- (D) On 25 October 2019, the Company entered into a credit agreement with Chang HWA Bank in the amount of NT\$900,000 thousand for the investment program for Welcome Overseas Taiwanese Businesses to return to invest in Taiwan. The related terms are as following:

Credit line	Credit Period	Interest rate	Repayment method
\$600,000	Seven years from the date of first drawdown	In accordance with the two-year time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.525%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.
\$300,000	Seven years from the date of first drawdown	In accordance with the two-year time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.525%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.

- (E) On 1 November 2019, the Company entered into a credit agreement with First Commercial Bank in the amount of NT\$1,500,000 thousand for the investment program for Welcome Overseas Taiwanese Businesses to return to invest in Taiwan. The related terms are as following:

Credit line	Credit Period	Interest rate	Repayment method
\$1,000,000	Seven years from the date of first drawdown	In accordance with the two-year time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.725%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.
\$500,000	Seven years from the date of first drawdown	In accordance with the two-year time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.725%.	Three-year grace period. After the grace period expires, the principal shall be paid back in monthly equal installments.

- (F) On 21 November 2021, the Company entered into a credit agreement with Land Bank in the amount of NT\$1,000,000 thousand for the investment program for Welcome Overseas Taiwanese Businesses to return to invest in Taiwan. The related terms are as following:

Credit line	Credit Period	Interest rate	Repayment method
\$700,000	Seven years from the date of first drawdown	In accordance with the two-year time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.725%.	Sole interests will be paid per month in the first two years. The principal shall be paid back in monthly equal installments, from the third year, and interest calculated based on the amount of principal monthly.
\$300,000	Seven years from the date of first drawdown	In accordance with the two-year time deposit interest rate of Chunghwa Post Co., Ltd. plus/minus, and the actual interest rate shall not be lower than 1.725%.	Sole interests will be paid per month in the first two years. The principal shall be paid back in monthly equal installments, from the third year, and interest calculated based on the amount of principal monthly.

(17) Post-employment benefits

Defined contribution plan

Expenses under the defined contribution plan for the three-month periods ended 30 September 2024 and 2023 were \$14,114 thousand and \$12,798 thousand, respectively; for the nine-month periods ended 30 September 2024 and 2023 were \$42,466 thousand and \$38,699 thousand, respectively.

Defined Benefit Plan

Expenses under the defined benefits plan for the three-month periods ended 30 September 2024 and 2023 were \$551 thousand and \$725 thousand, respectively; for the nine-month periods ended 30 September 2024 and 2023 were \$1,773 thousand and \$2,289 thousand, respectively.

(18) Equity

(a) Common stock

As at 30 September 2024, 31 December 2023 and 30 September 2023, the Company's authorized capital were \$6,000,000 thousand, and issued capital were \$3,821,149 thousand, each at a par value of NT\$10. Each share has one voting right and a right to receive dividends.

On 25 October 2021, the Company issued 50,000 thousand units of Global Depository Shares ("GDS") on the Luxembourg Stock Exchange, each representing a unit of ordinary shares of the Company. And totals in new issuance of 50,000 thousand common stock shares, each unit of GDS was priced at USD3.02, equivalent to NT\$84.5. Totals shares amounted to USD151,000 thousand. The rights and obligations of the new shares issued are the same as the original shares. As of September 30, 2024, there were no outstanding shares.

(b) Capital surplus

Items	2024.09.30	2023.12.31	2023.09.30
Additional paid-in capital	\$4,603,539	\$4,603,539	\$4,603,539
Premium on convertible bonds	1,082,212	1,082,212	1,082,212
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired through of disposed	73,002	95,779	95,779
Increase through changes in ownership interests in subsidiaries	2,222	455	48
Employee stock option	24,527	24,527	24,527
Restricted stocks for employees	694	694	694
Share of changes in net assets of associates accounted and joint ventures for using the equity method	157,259	112,781	111,558
Others	87,151	87,151	87,151
Total	\$6,030,606	\$6,007,138	\$6,005,508

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

(c) Treasury stock

On 09 May, 2023, the Company's Board of Directors approved the cancellation of treasury shares and the record date on 22 May, 2023. The change of paid-in capital registration of 700 thousand treasury shares was on June 13, 2023.

As at 30 September, 2024, 31 December, 2023 and 30 September, 2023, the treasury stock held by the Company were \$0 thousand and the number of treasury stock held by the Company were 0 share.

(d) Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- a. Payment of all taxes and dues
- b. Offset prior years' operation losses
- c. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve
- d. Set aside or reverse special reserve in accordance with law and regulations
- e. The distribution of the remaining, in addition to the unappropriated earnings at the beginning of the period, the Company shall distribute it according to the distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for approval.

According to the provision of Article 240-5 of the Company Act, the Company should authorize the distributable dividends and bonuses in whole or in part are paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution is submitted to the shareholders' meeting.

On June 13, 2024, the shareholders' meeting resolved to amend the Company's Articles of Incorporation to specify the dividend policy. The revised dividend policy is as follows:

The policy of dividend distribution approved by the Board should reflect factors such as the operating planning, investment plan, capital budgets, the changes of inner and outer environment. The Company in capital-intensive industries are currently in the stage of expansion. Considering the Company's need for future capital and the long-term financial planning; as well as the shareholders' need for cash inflow, the principle of earning distribution:

If there is any surplus in the annual, no less than 10% of the distributable earnings should be set aside for distribution to the shareholders as dividends and bonuses; provided that, if the cumulative retained earnings available for distribution is less than 10% of the paid-in capital, it may not be distributed. The dividend to shareholders should be paid in the form of cash as priority, or in the form of share dividend. Additionally, at least 10% of the dividends must be paid in the form of cash.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

According to the provision of Article 241 of the Company Act, the Company shall distribute the whole or a part of the statutory surplus reserve and capital surplus to shareholders in new shares or cash according to their shareholding percentage. When cash is distributed, a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares of the company shall be required and reported to the shareholders meeting. When new shares are issued, it shall be submitted to the shareholders' meeting for approval before distribution.

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to “other net deductions from shareholders” equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed from the special reserve.

The FSC on 31 March 2021 issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it.

The special reserve upon first adoption amounted to \$200,400 thousand as of 1 January 2024 and 2023. Because of unused, disposal or reclassification of related assets, there was no reversal from special reserve to unappropriated earnings during the nine-month periods ended of 30 September 2024 and 2023. As of 30 September 2024 and 2023, the special reverse upon first adoption amounted to \$200,400 thousand.

Details of the 2023 and 2022 earnings distribution and dividends per share as resolved by shareholders' meeting on 13 June 2024 and 14 June 2023, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT\$)	
	2023	2022	2023	2022
Legal reserves	\$83,321	\$223,603	\$—	\$—
Common stock -cash dividend (Note)	\$458,538	\$1,146,345	\$1.20	\$3.00

(Note): The Company resolved at the board of directors' meeting held on 8 March 2024 and 10 March 2023 to distribute the dividends of 2023 and 2022 in form of cash.

Please refer to Note 6.(22) for details on employees' compensation and remuneration to directors.

(e) Non-controlling interests

	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Beginning balance	\$1,385,941	\$1,293,658
Profit (loss) attributable to non-controlling interests	137,047	153,192
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Exchange differences resulting from translating the financial statements of a foreign operation	11,058	14,529
Unrealized gains or losses from equity instrument investments measured at fair value through other comprehensive income	(44)	1,023
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired through of disposed	16,604	—
Changes in ownerships in subsidiaries	(1,766)	(38)
Changes of non-controlling interests	—	(38,928)
Acquisition of issued shares of subsidiaries	(33,282)	—
Cash capital increase of the subsidiaries	10,000	—
Cash dividends from subsidiaries	(185,065)	(84,550)
Ending balance	\$1,340,493	\$1,338,886

(19) Operating revenue

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Client contractual revenue				
Sales of goods	\$3,334,474	\$3,272,866	\$9,521,961	\$9,674,467
Other operating revenue	595	558	2,785	2,481
Total	\$3,335,069	\$3,273,424	\$9,524,746	\$9,676,948

Information on the Group's client contractual revenues for the period from January 1 to September 30, 2024 and 2023 is as follows:

(a) Disaggregation of revenue

For the nine-month periods ended September 30 2024 :

	Power Discrete	Power IC and components	Solar	Total
Sales of goods	\$8,695,539	\$664,846	\$164,361	\$9,524,746

For the nine-month periods ended September 30 2023 :

	Power Discrete	Power IC and components	Solar	Total
Sales of goods	\$8,737,253	\$793,632	\$146,063	\$9,676,948

(b) Contract balances

Contractual liabilities - current

	2024.09.30	2023.12.31	2023.09.30
Sales of goods	\$3,126	\$9,744	\$23,874

The reason for the changes in the balance of contractual liabilities of the Group from January 1 to September 30, 2024 and 2023 was due to the fact that part of the obligations had been met and transferred into revenue or the increase in repay.

(20) Expected credit impairment gains (losses)

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Operating expenses — Expected credit impairment gains (losses)				
Trade receivables	(\$4,548)	(\$5,182)	(\$2,849)	(\$1,886)

For other credit risk information, please refer to Note 12.

The Group's receivables (including notes receivable, trade receivables, and trade receivables - related parties) were subject to the allowance for loss measured at expected credit loss amount during the survival period, with the related explanations about the allowance for loss evaluated on September 30, 2024, December 31, 2023, and September 30, 2023 are as follows:

Receivables are classified into groups based on the credit ratings of counterparties, and an allowance matrix is used to measure the allowance for losses. The relevant information is as follows:

<u>As at 30 Sep. 2024</u>						
	1-90 days (Note)	91-180 days	181-270 days	271-360 days	Over 361 days	Total
Total carrying amount	\$3,925,287	\$433,930	\$14,111	\$834	\$1,519,831	\$5,893,993
Loss rate	—	8.36%	20.00%	50.00%	100.00%	
Anticipated credit loss within the period of existence	—	(36,286)	(2,822)	(417)	(1,519,831)	(1,559,356)
Total	\$3,925,287	\$397,644	\$11,289	\$417	\$—	\$4,334,637

<u>As at 31 Dec. 2023</u>						
	1-90 days (Note)	91-180 days	181-270 days	271-360 days	Over 361 days	total
Total carrying amount	\$3,675,613	\$417,337	\$18,792	\$289	\$1,470,506	\$5,582,537
Loss rate	—	8.43%	20.00%	50.17%	100.00%	
Anticipated credit loss within the period of existence	—	(35,192)	(3,758)	(145)	(1,470,506)	(1,509,601)
Total	\$3,675,613	\$382,145	\$15,034	\$144	\$—	\$4,072,936

<u>As at 30 Sep. 2023</u>						
	1-90 days (Note)	91-180 days	181-270 days	271-360 days	Over 361 days	total
Total carrying amount	\$4,268,929	\$413,457	\$2,749	\$550	\$1,542,969	\$6,228,654
Loss rate	—	8.88%	20.01%	50.00%	100.00%	
Anticipated credit loss within the period of existence	—	(36,708)	(550)	(275)	(1,542,969)	(1,580,502)
Total	\$4,268,929	\$376,749	\$2,199	\$275	\$—	\$4,648,152

(Note): Notes receivable included. All notes receivable of the Group are mostly not overdue.

Changes to the Group's allowance loss for trade receivables and other receivables from January 1 to September 30, 2024 and 2023 are as follows:



	Trade receivables	Other receivables
2024.01.01	\$1,509,601	\$26,182
Amounts increase (reversal) in the current period	2,849	—
Effect of Exchange Rate Changes	46,906	1,186
2024.09.30	<u>\$1,559,356</u>	<u>\$27,368</u>
2023.01.01	\$1,506,344	\$1,146
Amounts increase (reversal) in the current period	1,886	—
Effect of Exchange Rate Changes	72,272	2
2023.09.30	<u>\$1,580,502</u>	<u>\$1,148</u>

(21) Lease

Group as a lessee

The Group leases a number of different assets, including property (land, houses, and buildings) transportation equipment, and other equipment. The lease period of each contract is between 2 to 50 years.

The impact of leasing on the Group's financial status, financial performance and cash flow is explained as follows:

A. The amounts recognized in the balance sheet are:

(a) Right-of-use assets

Carrying amount of right-of-use assets

	2024.09.30	2023.12.31	2023.09.30
Land	\$79,731	\$76,826	\$78,970
Buildings	188,951	193,585	208,894
Transportation equipment	936	1,775	2,536
Other equipment	934,900	952,148	968,017
Total	<u>\$1,204,518</u>	<u>\$1,224,334</u>	<u>\$1,258,417</u>

(b) Lease liabilities

	2024.09.30	2023.12.31	2023.09.30
Current	\$57,689	\$51,245	\$55,285
Non-current	267,304	281,270	297,838
Total	<u>\$324,993</u>	<u>\$332,515</u>	<u>\$353,123</u>

From July 1 to September 30, 2024 and 2023 and January 1 to September 30, 2024 and 2023, the Group's interest expense related to lease liabilities is described in Note 6, (23)(d) Finance Costs; for the maturity analysis of lease liabilities, please refer to Note 12(5) Liquidity Risk Management.

B. Amount recognized in statement of comprehensive income

Depreciation of right-of-use assets

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Land	\$827	\$800	\$2,445	\$2,408
Buildings	10,642	10,165	30,813	30,279
Transportation equipment	280	336	840	1,057
Other equipment	18,911	18,423	55,577	53,420
total	<u>\$30,660</u>	<u>\$29,724</u>	<u>\$89,675</u>	<u>\$87,164</u>

C. The lessee's income and expenditures related to leasing activities

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Expenses arising from short-term lease	\$3,640	\$3,240	\$11,539	\$9,914
Costs of low-value asset leases (excluding costs of low-value asset leases under short-term leases)	\$71	(\$303)	\$288	\$271
Variable lease payments not accounted for in lease liability	\$—	\$—	\$16	\$18
Income from sublease of right-of-use assets	\$643	\$463	\$1,538	\$1,360

D. The lessee's cash outflows related to leasing activities

The total cash outflow of the Group's lease were NT\$65,564 thousand and NT\$62,647 thousand from January 1 to September 30, 2024 and 2023.

E. Other information related to leasing activities

Option to extend lease and to terminate lease

Some of the Group's property leasing contracts include options for lease extension and lease termination. When deciding the lease term, the non-cancellable period with the right-of-use of the underlying asset, and the period covered by the Group's option to extend the lease can be reasonably determined, and it can be reasonably determined that the Group will not exercise the option of lease termination for the period covered. The use of these options can maximize the operating flexibility of the management contract. Most of the options for lease extension and lease termination can only be exercised by the Group. After the start date, there are major events or major changes in circumstances (Within the lessee's control and affecting whether the Group can reasonably determine to exercise options that were not previously included in the determination of the lease term, or not to exercise the options previously included in the determination of the lease term), the Group shall reassess the lease period.

(22) Summary statement of employee benefits, depreciation and amortization expenses by function:

Function Nature	2024.07.01-2024.09.30			2023.07.01-2023.09.30		
	operating costs	operating expenses	Total	operating costs	operating expenses	Total
Employee benefit expense						
Salaries	\$266,180	\$327,407	\$593,587	\$241,818	\$284,887	\$526,705
Labor and health insurance	\$37,089	\$25,689	\$62,778	\$32,690	\$22,818	\$55,508
Pension	\$7,295	\$7,370	\$14,665	\$7,092	\$6,431	\$13,523
Other employee benefit expenses	\$20,640	\$13,113	\$33,753	\$14,729	\$11,822	\$26,551
Depreciation	\$177,159	\$77,439	\$254,598	\$173,435	\$43,160	\$216,595
Amortization	\$1,571	\$6,144	\$7,715	\$3,126	\$5,955	\$9,081

Function Nature	2024.01.01-2024.09.30			2023.01.01-2023.09.30		
	operating costs	operating expenses	Total	operating costs	operating expenses	Total
Employee benefit expense						
Salaries	\$780,876	\$912,250	\$1,693,126	\$711,295	\$831,631	\$1,542,926
Labor and health insurance	\$110,253	\$76,301	\$186,554	\$100,265	\$68,093	\$168,358
Pension	\$22,339	\$21,900	\$44,239	\$21,852	\$19,136	\$40,988
Other employee benefit expenses	\$59,139	\$38,643	\$97,782	\$48,673	\$33,917	\$82,590
Depreciation	\$556,578	\$200,624	\$757,202	\$510,373	\$130,918	\$641,291
Amortization	\$5,136	\$19,044	\$24,180	\$9,474	\$23,061	\$32,535

The Company's Articles of Association stipulates that, after annual earnings first offset against any deficit, a minimum of 6% shall be allocated as employee compensation and a maximum of 2% as directors' remuneration. But there shall reserve a portion of profit to offset accumulated losses, if any. The aforementioned employee compensation can be made in stock or cash. Its subjects may include employees of controlling or associates that meet certain conditions which are set by the Board of Directors.

According to one of Article 235 of the Company Act, if the employee's compensation in the preceding paragraph is based on stocks or cash, the Board of Directors shall come to the resolution with more than two-thirds of the directors present and more than half of the present directors approve, and report to the shareholders meeting. For information about employee compensation and director remuneration approved by the Board of Directors, please visit "Market Observation Post System" of Taiwan Stock Exchange.

According to the profit status in the period from January 1 to September 30, 2024, the Company estimated the employee compensation and directors remuneration at 6% and 2%, respectively, and the amount of employee compensation and directors remuneration recognized for the period from July 1 to September 30, 2024 were NT\$18,800 thousand and NT\$4,950 thousand, respectively; NT\$49,900 thousand and NT\$14,150 thousand for the period from January 1 to September 30, 2024, respectively; NT\$18,400 thousand and NT\$4,850 thousand for the period from July 1 to September 30, 2023; NT\$53,000 thousand and NT\$13,650 thousand for the period from January 1 to September 30, 2023. The foregoing amounts were accounted for under salary expenses.

The Company's Board of Directors resolved on March 8, 2024 to provide cash for the employees compensation and directors remuneration in 2023 and the amounts were NT\$63,400 thousand and NT\$16,495 thousand respectively. There is no significant difference to the amounts recognized as expenses in the financial report of 2023.

(23) Non-operating income and expenses

(a) Interest income

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Financial asset measured at amortized cost	\$40,743	\$43,663	\$143,013	\$119,791

(b) Other income

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Rental income	\$1,753	\$1,231	\$4,211	\$3,863
Dividend income	617	4,643	2,957	7,654
Other income - other	13,016	24,736	42,539	70,883
Total	\$15,386	\$30,610	\$49,707	\$82,400

(c) Other gains or losses

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Gains (losses) on disposal of property, plant, and equipment	(\$1,917)	\$677	\$49	\$752
(Losses) on disposal of investment	—	(7,955)	—	(7,955)
Net gains(losses) on foreign exchange	(16,665)	50,329	54,228	77,478
Impairment on reversal benefit	—	—	21	52
Valuation gain of Financial assets and liabilities measured at fair value through profit or loss (Note)	67,751	31,610	163,407	90,643
Other expenses	(323)	(365)	(1,331)	(2,313)
Total	\$48,846	\$74,296	\$216,374	\$158,657

(Note): Mandatory generated by financial assets and liabilities measured at fair value through profit or loss.

(d) Financial costs

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Interest on bank borrowing	(\$52,671)	(\$42,112)	(\$155,898)	(\$136,763)
Interest on lease liabilities	(4,737)	(5,044)	(14,345)	(14,204)
Total finance costs	(\$57,408)	(\$47,156)	(\$170,243)	(\$150,967)

(24) Other comprehensive income components

2024.07.01 ~ 2024.09.30					
	Occurred in current period	Reclassification Adjustment	Other comprehensive income	Income tax gain (expense)	After-tax amount
Items that may not be reclassified subsequently to gain or loss:					
Unrealized valuation gain or loss of equity instrument investment at fair value through other comprehensive income	\$5,688	\$—	\$5,688	(\$1,358)	\$4,330
Items that may be reclassified subsequently to gain or loss:					
The balance of translation of the financial reports of foreign operation institutions	(68,204)	—	(68,204)	3	(68,201)
Total	(\$62,516)	\$—	(\$62,516)	(\$1,355)	(\$63,871)
2023.07.01 ~ 2023.09.30					
	Occurred in current period	Reclassification Adjustment	Other comprehensive income	Income tax gain (expense)	After-tax amount
Items that may not be reclassified subsequently to gain or loss:					
Unrealized valuation gain or loss of equity instrument investment at fair value through other comprehensive income	(\$4,295)	\$—	(\$4,295)	(\$138)	(\$4,433)
Items that may be reclassified subsequently to gain or loss:					
The balance of translation of the financial reports of foreign operation institutions	313,621	—	313,621	—	313,621
Total	\$309,326	\$—	\$309,326	(\$138)	\$309,188

2024.01.01~2024.09.30					
	Occurred in current period	Reclassification Adjustment	Other comprehensive income	Income tax gain (expense)	After-tax amount
Items that may not be reclassified subsequently to gain or loss:					
Unrealized valuation gain or loss of equity instrument investment at fair value through other comprehensive income	\$1,715	\$—	\$1,715	\$789	\$2,504
Items that may be reclassified subsequently to gain or loss:					
The balance of translation of the financial reports of foreign operation institutions	374,140	—	374,140	(50,274)	323,866
Total	<u>\$375,855</u>	<u>\$—</u>	<u>\$375,855</u>	<u>(\$49,485)</u>	<u>\$326,370</u>

2023.01.01~2023.09.30					
	Occurred in current period	Reclassification Adjustment	Other comprehensive income	Income tax gain (expense)	After-tax amount
Items that may not be reclassified subsequently to gain or loss:					
Unrealized valuation gain or loss of equity instrument investment at fair value through other comprehensive income	\$20,915	\$—	\$20,915	(\$257)	\$20,658
Items that may be reclassified subsequently to gain or loss:					
The balance of translation of the financial reports of foreign operation institutions	292,919	—	292,919	—	292,919
Total	<u>\$313,834</u>	<u>\$—</u>	<u>\$313,834</u>	<u>(\$257)</u>	<u>\$313,577</u>

(25) Income tax

The main components of income tax expenses (gain) are as follows:

a. Income tax recognized in profit or loss

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Current income tax expense:				
Current income tax payables	\$35,322	\$57,968	\$149,110	\$179,021
Adjustment of current deferred income tax of previous years in current year	10	8,616	(1,830)	(25,580)
Deferred income tax expenses:				
Deferred income tax expense related to the original creation of the temporary difference and its reversal	4,497	(5,984)	(10,923)	(8,143)
Others	881	(1,446)	(448)	(911)
Income tax expense	<u>\$40,710</u>	<u>\$59,154</u>	<u>\$135,909</u>	<u>\$144,387</u>

b. Income tax recognized as other comprehensive income

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Deferred income tax (benefit) expenses:				
Unrealized gains or losses from financial assets measured at fair value through other comprehensive income	\$1,358	\$138	(\$789)	\$257
Exchange differences resulting from translating the financial statements of a foreign operation	(3)	—	50,274	—
Total	<u>\$1,355</u>	<u>\$138</u>	<u>\$49,485</u>	<u>\$257</u>

c. Situations of income tax declaration and verification

As of September 30, 2024, the Group's foreign subsidiaries have completed their declarations in accordance with the tax laws and regulations in various countries. The income tax declarations of domestic subsidiaries are as follows:

	Situations of income tax declaration and verification
The Company	Assessed and approved up to 2022
Pynmax Technology Co., Ltd.	Assessed and approved up to 2022
Aide Energy (Cayman) Holding Co., Ltd. Taiwan Branch	Assessed and approved up to 2022
Champion Microelectronic Corp.	Assessed and approved up to 2021
PANSTAR SEMICONDUCTOR CO., LTD	Assessed and approved up to 2022
Golden Champion Digital Power Corporation	(Note 1)
MetaWeIIs Co., Ltd.	(Note 2)
PANJIT Investment Co., Ltd.	(Note 3)

(Note1): Golden Champion Digital Power Corporation was established in December 2023 and has not filed any income tax return yet.

(Note2): MetaWeIIs Co., Ltd. was established in April 2024 and has not filed any income tax return yet.

(Note3): PANJIT Investment Co., Ltd. was established in August 2024 and has not filed any income tax return yet.

#### (26) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
(a) Basic earnings per share				
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	\$253,452	\$243,832	\$714,041	\$676,047
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand)	382,115	382,115	382,115	382,115
Basic earnings per share (NT\$)	\$0.66	\$0.64	\$1.87	\$1.77



	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
(b) Diluted earnings per share				
Profit attributable to ordinary equity holders of the Company and effect of potential common shares (in thousand NT\$)	\$253,452	\$243,832	\$714,041	\$676,047
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand)	382,115	382,115	382,115	382,115
Effect of dilution:				
Employee compensation—stock (in thousands)	859	828	1,125	1,328
Weighted average number of ordinary shares outstanding after dilution (in thousand)	382,974	382,943	383,240	383,443
Diluted earnings per share (NT\$)	\$0.66	\$0.64	\$1.86	\$1.76

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements authorized for issue.

#### 7. Related party transactions

The related parties which have trading with the Group within the period of the financial report are as follows:

##### Names and relationship of related parties

Name of related parties	Relationship with the Group
Zibo Micro Commercial Components Corp.	Associated Enterprises
MILDEX OPTICAL INC.	Associated Enterprises
MILDEX OPTOELECTRONICS(XUZHOU) Co., Ltd.	Associated Enterprises
MILDEX OPTICAL USA, INC.	Associated Enterprises
Mr. FANG, MING-CHING etc. of 16 individuals	The management level above Deputy general manager of the Company

##### (1) Sales

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Zibo Micro Commercial Components Corp.	\$25,116	\$48,687	\$85,788	\$131,388
Others	10	23	38	51
Total	\$25,126	\$48,710	\$85,826	\$131,439

The sales price to the related parties was determined through mutual agreement in reference to market conditions. The collection periods to related parties were month-end 90 days, and non-related parties were month-end 30~120 days. The outstanding payment at the end of the year were not pledged, interest-free and subject to pay in cash.

(2) Purchase

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Zibo Micro Commercial Component Corp.	\$51,346	\$81,434	\$162,952	\$227,238
Others	—	—	21	—
Total	<u>\$51,346</u>	<u>\$81,434</u>	<u>\$162,973</u>	<u>\$227,238</u>

The purchase price from the related parties was determined through mutual agreement in reference to market conditions. The payment periods to related parties were the same with other company, and were 30~90 days.

(3) Trade receivable - related parties

	2024.09.30	2023.12.31	2023.09.30
Zibo Micro Commercial Components Corp.	\$28,508	\$39,567	\$55,560
Others	16	22	25
Total	<u>\$28,524</u>	<u>\$39,589</u>	<u>\$55,585</u>

(4) Other receivable - related parties (not loans)

	2024.09.30	2023.12.31	2023.09.30
MILDEX OPTICAL USA, INC.	\$3,415	\$2,760	\$2,222
Zibo Micro Commercial Components Corp.	31	—	—
MILDEX OPTICAL INC.	405	—	—
Total	<u>\$3,851</u>	<u>\$2,760</u>	<u>\$2,222</u>

(5) Advance receipts (recognized as other current liabilities - other)

	2024.09.30	2023.12.31	2023.09.30
MILDEX OPTICAL INC.	<u>\$—</u>	<u>\$—</u>	<u>\$2,140</u>

(6) Trade Payable - Related Parties

	2024.09.30	2023.12.31	2023.09.30
Zibo Micro Commercial Components Corp.	<u>\$37,590</u>	<u>\$54,277</u>	<u>\$70,849</u>

(7) Other payables - related parties (non-financial financing)

	2024.09.30	2023.12.31	2023.09.30
MILDEX OPTOELECTRONICS(XUZHOU) Co., Ltd	\$38,844	\$37,161	\$37,916
Others	—	29	29
Total	\$38,844	\$37,190	\$37,945

(8) Lease liabilities - related parties

	2024.09.30	2023.12.31	2023.09.30
MILDEX OPTOELECTRONICS(XUZHOU) Co., Ltd	\$170,227	\$177,559	\$186,065

(9) Rental income

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
MILDEX OPTICAL USA, INC.	\$643	\$463	\$1,538	\$1,360
MILDEX OPTICAL INC.	318	—	318	—
Total	\$961	\$463	\$1,856	\$1,360

The rental price to the related parties was determined through mutual agreement in reference to market conditions.

(10) Asset transactions:

For the nine-month periods ended 30 Sep. 2024:

Name of related parties	Acquisition Item	Purchase price
MILDEX OPTICAL INC.	Stock of PANJIT JAPAN Inc.	\$1,034

For the nine-month periods ended 30 Sep. 2023: None.

(11) Remuneration of key management personnel of the Group

	2024.07.01~ 2024.09.30	2023.07.01~ 2023.09.30	2024.01.01~ 2024.09.30	2023.01.01~ 2023.09.30
Short-term employee benefits	\$28,251	\$30,921	\$87,768	\$93,824
Post-employment benefits	147	181	477	586
Total	\$28,398	\$31,102	\$88,245	\$94,410

As at 30 September 2024 and 2023, certain key management personnel were joint guarantors for the Group's borrowings from financial institutions.

8. Pledged assets

The following assets of the Group have been provided as collateral:

Items	Carrying amount			Secured liabilities details
	2024.09.30	2023.12.31	2023.09.30	
Other current assets	\$67,301	\$43,825	\$19,604	Financial commodity trading
Other non-current assets	2,615	1,098	1,112	Long-term borrowings, performance guarantee
Refundable deposits	428	425	681	Performance guarantee
Total	<u>\$70,344</u>	<u>\$45,348</u>	<u>\$21,397</u>	

9. Significant contingent liabilities and unrecognized contractual commitments

As at 30 September 2024 and 2023, the Group guaranteed a deposit for customs in the amount of \$12,573 thousand and \$12,565 thousand respectively.

10. Significant Disaster Losses

None.

11. Significant subsequent events

None.

12. Others

(1) Classification of financial instruments

Financial assets

	2024.09.30	2023.12.31	2023.09.30
Financial assets at fair value through profit or loss:			
Mandatorily measured at Fair value through profit or loss	\$4,936,545	\$3,387,782	\$2,460,932
Financial assets at fair value through other comprehensive income	526,248	493,248	534,495
Financial assets measured at amortized cost	<u>6,929,539</u>	<u>7,980,384</u>	<u>8,289,874</u>
Total	<u>\$12,392,332</u>	<u>\$11,861,414</u>	<u>\$11,285,301</u>

### Financial liabilities

	<u>2024.09.30</u>	<u>2023.12.31</u>	<u>2024.09.30</u>
Financial liabilities measured at amortized cost:			
Short-term borrowings	\$3,281,810	\$2,689,193	\$3,277,747
Payables	3,127,734	3,538,857	3,787,558
Long-term borrowings (including maturity within one year)	6,194,744	6,849,653	5,822,373
Lease liabilities	324,993	332,515	353,123
Subtotals	<u>12,929,281</u>	<u>13,410,218</u>	<u>13,240,801</u>
Financial liability at fair value through profit or loss:			
Held for trading	33	—	4,831
Total	<u>\$12,929,314</u>	<u>\$13,410,218</u>	<u>\$13,245,632</u>

### (2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

### (3) Market risk

Market risk refers to the risk of fluctuations in fair value or cash flow of financial instruments due to changes in market prices. Market risks mainly include exchange rate risk, interest rate risk and other price risks (such as equity instruments.)

In practice, it is rare that a single risk variable changes independently, and the changes of each risk variable are usually related, but the sensitivity analysis of each risk below does not consider the interactive impact of related risk variables.

### Exchange rate risk

The Group's exchange rate risk is mainly related to operating activities (when the currency used for revenue or expenses is different from the Group's functional currency) and the net investment of foreign operation.

The Group's foreign currency receivables are in the same currencies as part of the foreign currency payables. At this time, a considerable part of the position will have a natural hedging effect. For some foreign currency payments, forward foreign exchange contracts are used to manage exchange rate risks, based on the aforementioned natural hedging. The use of forward foreign exchange contracts to manage exchange rate risks does not meet the requirements of hedging accounting, therefore it is not adopted. In addition, the net investment of foreign operation is a strategic investment, so the Group does not consider hedging.

The sensitivity analysis of the Group's exchange rate risk mainly focuses on the major foreign currency monetary items at the end of the financial reporting period, and the impact of related foreign currency appreciation/devaluation on the Group's gain or loss and equity. The Group's exchange rate risk is mainly affected by fluctuations in the exchange rate of the U.S. dollar and EUR, CNY and JPY.

#### Interest rate risk

Interest rate risk is the risk of fluctuations in the fair value or future cash flow of financial instruments due to changes in market interest rates. The Group's interest rate risk mainly comes from investment in floating-rate debt instruments, fixed-rate borrowings and floating-rate borrowings.

Sensitivity analysis of interest rate risk mainly focuses on interest rate risk items at the end of the financial reporting period, including floating rate investments, floating rate borrowings and interest rate swap contracts.

#### Equity price risk

The Group holds foreign and domestic listed and unlisted equity securities, the fair value of which will be affected by the uncertainty of the future value of these investment targets. The listed and unlisted equity securities held by the Group belong to the category measured at fair value through other comprehensive income. The Group manages the price risk of equity securities by diversifying investment and setting limits for single and overall equity securities investment. The equity securities investment portfolio information needs to be regularly provided to the Group's senior management. The Board of Directors must review and approve all equity securities investment decisions.

The sensitivity analysis of the related risk changes is as follows:

January 1 to September 30, 2024				
Risks	Change	Sensitivity to gain or loss (NT\$ thousand)	Equity attribute (NT\$ thousand)	
Exchange rate	NTD/USD exchange rate +/— 1%	+/— \$15,033	—	
	NTD/EUR exchange rate +/— 1%	+/— \$742	—	
	NTD/CNY exchange rate +/— 1%	+/— \$97	—	
	NTD/JPY exchange rate +/— 1%	+/— \$1,027	—	
Interest rate	NTD market interest rate +/— 100 basis points	—/+ \$73,627	—	
Equity price	Equity securities price +/— 10%	+/— \$68	\$52,625	

January 1 to September 30, 2023

Risks	Change	Sensitivity to gain or loss (NT\$ thousand)	Equity attribute (NT\$ thousand)
Exchange rate	NTD/USD exchange rate +/- 1%	+/- \$26,210	—
	NTD/EUR exchange rate +/- 1%	-/+ \$618	—
	NTD/CNY exchange rate +/- 1 %	+/- \$50	—
	NTD/JPY exchange rate +/- 1 %	+/- \$204	—
Interest rate	NTD market interest rate +/- 100 basis points	-/+ \$63,077	—
Equity price	Equity securities price +/- 10%	+/- \$96	\$53,450

(4) Credit risk management

Credit risk refers to the risk that the counterparty cannot fulfill the obligations set out in the contract and will result in financial losses. The Group's credit risk is due to operating activities (mainly accounts and notes) and financial activities (mainly bank deposits and various financial instruments.)

All units of the Group follow credit risk policies, procedures and controls to manage credit risk. The credit risk assessment of all is a comprehensive consideration of such factors as the counterparty's financial status, ratings of credit rating agencies, past historical experience, current economic environment, and the Group's internal rating standards. The Group also uses certain credit enhancement tools (such as advance payment and insurance, etc.) at appropriate times to reduce the credit risk of specific counterparties.

As of September 30, 2024, December 31, 2023 and September 30, 2023, the percentages of receivables from the top ten customers to the Group's receivable balances were 19%, 17% and 19%, respectively. The credit concentration risk of the remaining receivables was relatively insignificant.

Credit risk of credit-linked deposits arises if the issuing banks breached the contracts or the debt issuer could not pay off the debts; the maximum exposure is the carrying value of those financial instruments. Therefore, the Company minimized the risk by only transacting with counter-party who is reputable, transparent and in good financial standing.

The Group's finance department manages the credit risk of bank deposits, fixed income securities, and other financial instruments in accordance with Group policies. Since the Group's trading partners are determined by internal control procedures, and are credit worthy banks and investment-grade financial institutions, corporate organizations, and government agencies, there is no significant credit risk.

(5) Liquidity risk management

The Group maintains financial flexibility through contracts such as cash and cash equivalents, high-liquidity securities, bank borrowings, and leases. The following table summarizes the maturity of the payments contained in the contracts for financial liabilities of the Group. It is compiled based on the earliest possible repayment date and based on its undiscounted cash flows. The amounts listed are also including agreed interest. For interest cash flows paid at floating interest rates, the undiscounted amount of interest is derived from the yield curve at the end of the reporting period.

Non-derivative financial liabilities

	< 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
2024.09.30					
Loans	\$4,141,092	\$4,354,619	\$1,055,990	\$—	\$9,551,701
Trade and other payables	\$3,127,734	\$—	\$—	\$—	\$3,127,734
Lease liabilities	\$68,836	\$108,352	\$95,623	\$93,382	\$366,193
2023.12.31					
Loan	\$3,234,720	\$4,764,414	\$1,648,118	\$—	\$9,647,252
Trade and other payables	\$3,538,857	\$—	\$—	\$—	\$3,538,857
Lease liabilities	\$62,713	\$102,779	\$91,677	\$122,698	\$379,867
2023.09.30					
Loan	\$3,825,017	\$3,618,698	\$1,780,453	\$—	\$9,224,168
Trade and other payables	\$3,787,558	\$—	\$—	\$—	\$3,787,558
Lease liabilities	\$67,401	\$107,350	\$92,700	\$137,229	\$404,680

Derivative financial liabilities

	< 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
2024.09.30					
Forward exchange contracts - inflow	\$133,974	\$—	\$—	\$—	\$133,974
Forward exchange contracts - outflow	(\$131,591)	\$—	\$—	\$—	(\$131,591)
Foreign exchange swap contract-inflows	\$79,093	\$—	\$—	\$—	\$79,093
Foreign exchange swap contract-outflows	(\$79,125)	\$—	\$—	\$—	(\$79,125)
2023.12.31					
Forward exchange contracts - inflow	\$74,101	\$—	\$—	\$—	\$74,101
Forward exchange contracts - outflow	(\$72,771)	\$—	\$—	\$—	(\$72,771)
Foreign exchange swap contract -inflows	\$273,099	\$—	\$—	\$—	\$273,099
Foreign exchange swap contract -outflows	(\$270,204)	\$—	\$—	\$—	(\$270,204)
2023.09.30					
Forward exchange contracts - inflow	\$219,156	\$—	\$—	\$—	\$219,156
Forward exchange contracts - outflow	(\$223,640)	\$—	\$—	\$—	(\$223,640)
Foreign exchange swap contract -inflows	\$31,914	\$—	\$—	\$—	\$31,914
Foreign exchange swap contract -outflows	(\$32,270)	\$—	\$—	\$—	(\$32,270)



The disclosure of derivative financial liabilities in the above table is expressed using undiscounted total cash flows.

(6) Reconciliation in liabilities generated from financing activities

Reconciliation information of liabilities from January 01 to September 30, 2024:

	Short-term borrowings	Long-term borrowings	Lease liabilities	Total liabilities from financing activities
2024.01.01	\$2,689,193	\$6,849,653	\$332,515	\$9,871,361
Cash flows	578,132	(658,885)	(53,721)	(134,474)
Non-cash changes	—	2,623	33,123	35,746
Foreign exchange movement	14,485	1,353	13,076	28,914
2024.09.30	<u>\$3,281,810</u>	<u>\$6,194,744</u>	<u>\$324,993</u>	<u>\$9,801,547</u>

Reconciliation information of liabilities from January 1 to September 30, 2023:

	Short-term borrowings	Long-term borrowings	Lease liabilities	Total liabilities from financing activities
2023.01.01	\$2,769,949	\$6,512,616	\$374,376	\$9,656,941
Cash flows	511,876	(694,806)	(52,444)	(235,374)
Non-cash changes	—	3,003	28,067	31,070
Foreign exchange movement	(4,078)	1,560	3,124	606
2023.09.30	<u>\$3,277,747</u>	<u>\$5,822,373</u>	<u>\$353,123</u>	<u>\$9,453,243</u>

(7) Fair value of financial instruments

(a) Valuation techniques and assumptions used to measure fair value

Fair value refers to the price that can be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants on the measurement date. The methods and assumptions used by the Group to measure or disclose the fair value of financial assets and financial liabilities are as follows:

- A. The carrying amounts of cash and cash equivalents, financial assets measured at amortized cost, receivables, payables and other current liabilities are a reasonable approximation of the fair value, which is mainly due to the short maturity period of such instruments.
- B. The fair value of financial assets and financial liabilities that are traded in an active market with standard terms and conditions is determined by reference to market quotes (for example, listed stocks, beneficiary certificates, bonds and futures, etc.).
- C. The fair value of equity instruments without active market transactions (for example, private equity stocks of listed companies, public company shares without active markets, and unpublished company shares) is estimated by the market method, and is estimated for the fair value with the price and other relevant information (such as lack of liquidity discount factors, similar company stock price-to-earning ratio, similar company stock price-to-net worth ratio and other input values) of the same or comparable company equity instruments generated by market transactions.

- D. For investment in debt instruments, bank borrowings, bonds payable and other non-current liabilities without active market quotations, the fair value is determined based on the counterparty's quotation or evaluation technology. The evaluation technology is determined on the basis of discounted cash flow analysis. The interest rate and assumptions such as discount rate are mainly based on information related to similar tools (for example, OTC's reference yield curve, the average quotation of the Reuters commercial paper rate, and credit risk information.)
- E. Derivative financial instruments without active market quotations, among which are non-option derivative financial instruments, are calculated based on discounted cash flow analysis using the counterparty's quotation or the applicable yield curve within duration; for option derivative financial instruments, use Counterparty quotations, appropriate option pricing models (such as the Black-Scholes model) or other evaluation methods (such as Monte Carlo Simulation) to calculate the fair value.

(b) Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and financial liabilities measured at amortized cost is a reasonable approximation of the fair value.

(c) Information about the fair value level of financial instruments

Please refer to Note 12. (9) for fair value measurement hierarchy for financial instruments of the Group.

(8) Derivative financial instruments

The related information for derivative financial instruments not qualified for hedge accounting and not yet settled as at 30 September 2024, 31 December 2023 and 30 September 2023 is as follows:

Forward currency contracts

The Group entered into forward currency contracts to manage its exposure to financial risk, but these contracts are not designated as hedging instruments.

Foreign exchange swap contracts

The Group entered into forward exchange swap contracts to manage its exposure to financial risk, but these contracts are not designated as hedging instruments.

The Group entered into the following forward currency contracts and forward exchange swap contracts:

	Items (by contract)	Notional Amount (thousand)	Maturity date
<u>2024.09.30</u>			
The Company	Forward currency contract	Sell for USD 3,990	2024.10.02~ 2024.10.30
	Forward currency contract	Sell for EUR 150	2024.10.09
	Foreign exchange swap contracts	Sell for USD 2,500	2024.10.08
<u>2023.12.31</u>			
The Company	Forward currency contract	Sell for USD 2,370	2024.01.03~ 2024.01.08
	Foreign exchange swap contracts	Sell for USD 8,800	2024.01.12
<u>2023.09.30</u>			
The Company	Forward currency contract	Sell for USD 5,470	2023.10.03~ 2023.11.02
	Foreign exchange swap contracts	Sell for USD 1,000	2023.10.06
Pynmax Technology Co., Ltd. (Subsidiary)	Forward currency contract	Sell for USD 460	2023.10.12
PAN-JIT Electronics (Wuxi) Co., Ltd. (Subsidiary)	Forward currency contract	Sell for USD 1,000	2023.10.09~ 2023.10.10

The aforementioned derivatives transaction counterparties are well-known banks at home and abroad, and their credit is good, so the credit risk is not high.

For forward exchange and foreign exchange swap contract transactions, it is mainly to avoid the risk of exchange rate changes on net assets in foreign currency. There will be relative cash inflows or outflows at maturity, and working capital is sufficient to support, so there will be no significant cash flow risk.

#### (9) Fair value measurement hierarchy

##### (a) Definition of Fair value measurement hierarchy

All assets and liabilities measured or disclosed by fair value are entered at the lowest level of importance to the overall fair value measurement, and are classified into the fair value level to which they belong. The input values for each level are as follows:

Level 1. Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3. Unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by reassessing categorization at the end of each reporting period.

(b) Hierarchical Information on Fair Value Measurement

The Group does not have non recurring assets measured at fair value. The fair value level information of recurring assets and liabilities is listed below:

September 30, 2024:

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Financial assets measured at fair value through profit or loss				
Fund	\$—	\$3,013,123	\$—	\$3,013,123
Stocks	\$—	\$—	\$684	\$684
Convertible bond	\$—	\$—	\$116,925	\$116,925
Notes	\$—	\$1,383,105	\$—	\$1,383,105
Forward currency contract	\$—	\$2,383	\$—	\$2,383
Structured Product	\$—	\$—	\$420,325	\$420,325
Measured at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	\$144,755	\$—	\$381,493	\$526,248
Financial liabilities measured at fair value				
Financial liabilities measured at fair value through profit or loss				
Foreign exchange swap contract	\$—	\$33	\$—	\$33

December 31, 2023:

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Financial assets measured at fair value through profit or loss				
Fund	\$—	\$2,021,951	\$—	\$2,021,951
Notes	\$—	\$1,341,809	\$—	\$1,341,809
Stocks	\$716	\$—	\$684	\$1,400
Convertible Bond	\$—	\$—	\$18,397	\$18,397
Foreign exchange swap contract	\$—	\$2,895	\$—	\$2,895
Forward currency contract	\$—	\$1,330	\$—	\$1,330
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	\$155,411	\$—	\$337,837	\$493,248

September 30, 2023:

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Financial assets measured at fair value through profit or loss				
Fund	\$—	\$1,316,630	\$—	\$1,316,630
Stocks	\$—	\$—	\$957	\$957
Convertible bond	\$—	\$—	\$23,576	\$23,576
Notes	\$—	\$1,119,769	\$—	\$1,119,769
Measured at fair value through other comprehensive income				
Stocks	\$169,974	\$—	\$364,521	\$534,495
Liabilities measured at fair value				
Financial liabilities measured at fair value through profit or loss				
Forward currency contracts	\$—	\$4,475	\$—	\$4,475
Foreign exchange swap contract	\$—	\$356	\$—	\$356

#### Transfer between the Level 1 and the Level 2 of the fair value hierarchy

During the nine-month periods ended 30 September 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

#### Changes in recurring fair value at level 3

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Financial assets measured at fair value through profit or loss			Measured at fair value through other comprehensive income
	Stock	Structured deposits	Convertible bonds	Stock
2024.01.01	\$684	\$—	\$18,397	\$337,837
Total recognized gains (losses) of the current period				
Recognized in profit or loss (presented in “Other gain or loss”)	—	825	4,797	(2,607)
Acquisition for the period	—	736,500	96,280	6,473
Disposal in current period	—	(317,000)	(2,222)	—
Influence of exchange rate change	—	—	(327)	39,790
2024.09.30	\$684	\$420,325	\$116,925	\$381,493

	Financial assets measured at fair value through profit or loss			Measured at fair value through other comprehensive income
	Stock	Structured deposits	Convertible bonds	Stock
2023.01.01	\$957	\$—	\$19,500	\$364,205
Total recognized gains (losses) of the current period				
Recognized in profit or loss (presented in “Other gain or loss”)	—	—	4,052	—
Acquisition for the period	—	283,040	7,474	—
Disposal in current period	—	(280,158)	(7,450)	—
Influence of exchange rate change	—	(2,882)	—	316
2023.09.30	\$957	\$—	\$23,576	\$364,521

Significant unobservable input value information for Level 3 of the fair value hierarchy

The Information on significant unobservable inputs to valuation that fair value measurement hierarchy in Level 3 of the Group’s assets measured at fair value on a recurring basis were as follows:

September 30, 2024:

		Significant		Interrelationship	Sensitivity analysis of
	Valuation	unobservable	Quantitative	between inputs	interrelationship
	technique	input	Information	and fair value	between inputs and fair value
Financial assets at fair value					
Financial assets at fair value through profit or loss					
Stock	Net asset value method	Not applicable	—	Not applicable	Not applicable
Structured product	Net asset value method	Not applicable	—	Not applicable	Not applicable
Convertible bond	Option Pricing model	Not applicable	—	Not applicable	Not applicable
Financial assets at fair value through other comprehensive income					
Stock	Market approach	Lack of liquidity discount	4.09%~ 32.28%	The higher the illiquidity, the lower the fair value estimate.	The Group's equity will decrease/increase by NT\$5,360 thousand if the percentage of illiquidity increases (decreases) by 1%.
Stock	Income approach	Discount rate	18.12%	The higher the discount rate, the lower the estimate of fair value.	When the discount rate increases/decreases by 1%, the profit or loss of the Group will increase by NT\$9,958 thousand/decrease by NT\$8,697 thousand.

December 31, 2023:

					Sensitivity analysis of interrelationship between inputs and fair value
	Valuation technique	Significant unobservable inputs	Quantitative information	Interrelationship between inputs and fair value	
Financial assets at fair value					
Financial assets at fair value through profit or loss					
Stock	Net asset value method	Not applicable	—	Not applicable	Not applicable
Financial products- structured deposit	Net asset value method	Not applicable	—	Not applicable	Not applicable
Convertible Bonds	Option Pricing model	Not applicable	—	Not applicable	Not applicable
Financial assets at fair value through other comprehensive income					
Stock	Market approach	Lack of liquidity discount	4.09%~ 32.28%	The higher the illiquidity, the lower the fair value estimate.	The Group's equity will decrease/increase by NT\$6,831 thousand if the percentage of illiquidity increases (decreases) by 1%.
Stock	Income approach	Discount rate	18.12%	The higher the discount rate, the lower the estimate of fair value.	When the discount rate increases/decreases by 1%, the profit or loss of the Group will increase by NT\$9,958 thousand/decrease by NT\$8,697 thousand.



September 30, 2023:

		Significant		Interrelationship	Sensitivity analysis of
	Valuation	unobservable	Quantitative	between inputs	interrelationship
	technique	input	Information	and fair value	between inputs and fair value
Financial assets at fair value					
Financial assets at fair value through profit or loss					
Stock	Net asset value method	Not applicable	–	Not applicable	Not applicable
Financial products-structured deposit	Net asset value method	Not applicable	–	Not applicable	Not applicable
Convertible bond	Option Pricing model	Not applicable	–	Not applicable	Not applicable
Financial assets at fair value through other comprehensive income					
Stock	Market approach	Lack of liquidity discount	5.43%~ 32.28%	The higher the illiquidity, the lower the fair value estimate.	The Group's equity will decrease/increase by NT\$6,916 thousand if the percentage of illiquidity increases (decreases) by 1%.

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's Finance Department is responsible for validating the fair value measurements to ensure that the results of the valuation are in line with market conditions, based on stable, independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies on a regular basis to ensure the measurement or assessment are reasonable.

(10) The information on foreign currency assets and liabilities with significant impact are as follows:

The information on foreign currency assets and liabilities of the Group with significant impact is list bellow:

2024.09.30			
	Foreign currency (thousand)	Exchange rate	NTD (thousand)
<u>Financial assets</u>			
Monetary items:			
USD	\$84,631	31.6500	\$2,678,574
EUR	\$3,792	35.3800	\$134,165
RMB	\$2,141	4.5230	\$9,683
JPY	\$465,211	0.2223	\$103,416

Financial liabilities

Monetary items:

USD	\$37,134	31.6500	\$1,175,298
EUR	\$1,695	35.3800	\$59,983
JPY	\$3,303	0.2223	\$734

2023.12.31			
	Foreign currency (thousand)	Exchange rate	NTD (thousand)
<u>Financial assets</u>			
Monetary items:			
USD	\$90,443	30.7050	\$2,777,060
EUR	\$3,326	33.9800	\$113,016
RMB	\$3,735	4.3270	\$16,161
JPY	\$48,616	0.2172	\$10,559

Financial liabilities

Monetary items:

USD	\$32,332	30.7050	\$992,754
EUR	\$4,766	33.9800	\$161,937
RMB	\$—	4.3270	\$—
JPY	\$8,453	0.2172	\$1,836

2023.09.30			
	Foreign currency (thousand)	Exchange rate	NTD (thousand)
<u>Financial assets</u>			
Monetary items:			
USD	\$95,550	32.2700	\$3,083,384
EUR	\$3,134	33.9100	\$106,263
RMB	\$1,136	4.4150	\$5,017
JPY	\$117,893	0.2162	\$25,489

Financial liabilities

Monetary items:

USD	\$14,330	32.2700	\$462,426
EUR	\$4,959	33.9100	\$168,144
JPY	\$23,669	0.2162	\$5,117

The above information is disclosed on the basis of the foreign currency carrying amount (which has been converted to functional currency.)

The Company's foreign currency transactions and the Group's functional currencies are diverse, and cannot be disclosed in each major foreign currency. Therefore, the exchange gain or loss of each currency are consolidated and disclosed. The Group's exchange (losses) gains on monetary financial assets and liabilities were (NT\$16,665) thousand and NT\$54,228 thousand for the periods from July 1 to September 30, 2024 and January 1 to September 30, 2024, respectively, and NT\$50,329 thousand and NT\$77,478 thousand for the periods from July 1 to September 30, 2023 and January 1 to September 30, 2023, respectively.

#### (11) Capital management

The most important goal of the Group's capital management is to confirm the maintenance of sound credit ratings and good capital ratios to support corporate operations and maximize shareholders' equity. The Group manages and adjusts the capital structure according to economic conditions, and may maintain and alter the capital structure by adjusting dividend payments, returning capital or issuing new shares.

### 13. Other disclosures

#### (1) Information about significant transactions:

- a. Financing provided to others: Please refer to Attachment 1.
- b. Endorsement/Guarantee for others: Please refer to Attachment 2.
- c. Securities held at the end of the period (excluding subsidiaries, associates, and joint ventures): Please refer to Attachment 3.
- d. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock: None.
- e. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock: None.
- f. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock: None
- g. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock: Please refer to Attachment 4.
- h. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock: Please refer to Attachment 5.
- i. Financial instruments and derivative transactions: Please refer to Note 12(8).
- j. Business relationships and significant transactions and amount between parent company and subsidiaries and among subsidiaries: Please refer to Attachment 8.

#### (2) Information of investees:

If the issuer directly or indirectly exercises significant influence or control over, or has a joint venture interest in, an investee company not in the Mainland Area, it shall disclose information on the investee company, showing the name, location, principal business activities, original investment amount, shareholding at the end of the period, profit or loss for the period, and recognized investment gain or loss: Please refer to Attachment 6.

#### (3) Information on Investment in Mainland China:

- a. Information on investment in Mainland China: Please refer to Attachment 7.
- b. Directly or indirectly significant transactions through third regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss:
  - i. The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Please refer to Attachment 4.
  - ii. The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Please refer to Attachment 4 ~ 5.
  - iii. The amount of property transactions and the amount of the resultant gains or losses: None.

- iv. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.
  - v. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Please refer to Attachment 1.
  - vi. Other transactions that have a material effect on the profit or loss for the period or on the financial position: None
- (4) Information on Major Shareholders: Please refer to Attachment 9.

#### 14. Segment Information

For management purposes, the Group is consisted of business units on the basis of product characteristics and services, and has three reportable operating segments as follows:

- (1) Power Discrete: Manufacture and sale the wafers, power components and control module.
- (2) Power IC and components: research and development, design and manufacture and technology consultation of power IC, field effect transistors and fast recovery diodes.
- (3) Solar: Sales of electricity

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements. However financial cost, financial income and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segment are on an arm's length basis in a manner similar to transactions with third parties.

	2024.07.01-2024.09.30				
	Power Discrete	Power IC and components	Solar	Adjustment	Total
Revenue					
external customers	\$3,047,033	\$217,923	\$70,113	\$—	\$3,335,069
Inter- segmental	4,042	28	—	(4,070)	—
Total revenue	<u>\$3,051,075</u>	<u>\$217,951</u>	<u>\$70,113</u>	<u>(\$4,070)</u>	<u>\$3,335,069</u>
Segment profit	<u>\$166,616</u>	<u>\$40,140</u>	<u>\$27,678</u>	<u>\$96,560</u>	<u>\$330,994</u>

(a) Inter-segmental revenues were eliminated upon consolidation.

- (b) The gain or loss of each operating segment excludes non-operating income and expenses of NT\$ 96,560 thousand and income tax expense of NT\$40,710 thousand. Segmental operating gain or loss includes inter-segmental sales of NT\$0 thousand and non-operating income and expenses of NT\$96,560 thousand.

2023.07.01-2023.09.30					
	Power Discrete	Power IC and components	Solar	Adjustment	Total
Revenue					
External customers	\$2,886,299	\$323,657	\$63,468	\$—	\$3,273,424
Inter- segmental	—	968	—	(968)	—
Total revenue	\$2,886,299	\$324,625	\$63,468	(\$968)	\$3,273,424
Segment profit	\$121,453	\$89,636	\$23,433	\$136,302	\$370,824

- (a) Inter-segmental revenues are eliminated upon consolidation.
- (b) The gain or loss of each operating segment excludes non-operating income and expenses of NT\$ 136,302 thousand and income tax expense of NT\$59,154 thousand. Segmental operating gain or loss includes inter-segmental sales of NT\$0 thousand and non-operating income and expenses of NT\$136,302 thousand.

2024.01.01-2024.09.30					
	Power Discrete	Power IC and components	Solar	Adjustment	Total
Revenue					
External customers	\$8,695,539	\$664,846	\$164,361	\$—	\$9,524,746
Inter- segmental	10,139	28	—	(10,167)	—
Total revenue	8,705,678	664,874	164,361	(10,167)	9,524,746
Segment profit	\$430,203	\$151,551	\$45,032	\$360,211	\$986,997

- (a) Inter-segmental revenues are eliminated upon consolidation.
- (b) The gain or loss of each operating segment excludes non-operating income and expenses of NT\$ 360,211 thousand and income tax expense of NT\$135,909 thousand. Segmental operating gain or loss includes inter-segmental sales of NT\$0 thousand and non-operating income and expenses of NT\$360,211 thousand.

2023.01.01-2023.09.30					
	Power Discrete	Power IC and components	Solar	Adjustment	Total
Revenue					
External customers	\$8,737,253	\$793,632	\$146,063	\$—	\$9,676,948
Inter- segmental	—	1,488	—	(1,488)	—
Total revenue	<u>\$8,737,253</u>	<u>\$795,120</u>	<u>\$146,063</u>	<u>(\$1,488)</u>	<u>\$9,676,948</u>
Segment profit	<u>\$443,081</u>	<u>\$204,235</u>	<u>\$34,857</u>	<u>\$291,453</u>	<u>\$973,626</u>

(a) Inter-segmental revenues are eliminated upon consolidation.

(b) The gain or loss of each operating segment excludes non-operating income and expenses of NT\$ 291,453 thousand and income tax expense of NT\$144,387thousand. Segmental operating gain or loss includes inter-segmental sales of NT\$0 thousand and non-operating income and expenses of NT\$291,453 thousand.

The following table presents information related to the assets and liabilities of the Group's operating segments as of September 30, 2024, December 31, 2023 and September 30, 2023:

#### Assets by Operating Segments

	Power Discrete	Power IC and components	Solar	Adjustment	Total
2024.09.30					
Assets	<u>\$15,839,105</u>	<u>\$783,096</u>	<u>\$1,102,652</u>	<u>\$10,946,148</u>	<u>\$28,671,001</u>
2023.12.31					
Assets	<u>\$16,307,133</u>	<u>\$696,752</u>	<u>\$1,119,996</u>	<u>\$10,558,854</u>	<u>\$28,682,735</u>
2023.09.30					
Assets	<u>\$17,077,720</u>	<u>\$697,788</u>	<u>\$1,140,083</u>	<u>\$9,787,606</u>	<u>\$28,703,197</u>

#### Liabilities by Operating Segments

	Power Discrete	Power IC and components	Solar	Adjustment	Total
2024.09.30					
Liabilities	<u>\$10,978,920</u>	<u>\$367,929</u>	<u>\$139,351</u>	<u>\$2,001,383</u>	<u>\$13,487,583</u>
2023.12.31					
Liabilities	<u>\$11,690,186</u>	<u>\$86,473</u>	<u>\$136,540</u>	<u>\$2,134,997</u>	<u>\$14,048,196</u>
2023.09.30					
Liabilities	<u>\$11,500,981</u>	<u>\$89,473</u>	<u>\$145,980</u>	<u>\$2,186,421</u>	<u>\$13,922,855</u>

English Translation of Financial Statements Originally Issued in Chinese  
Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)  
(Unit: NT\$ thousands, unless otherwise indicated)  
Financing provided to others

Attachment 1

No. (Note 1)	Lender	Counter-party	Financial statement account (Note 2)	Related party	Maximum balance for the period	Ending balance (Note 6)	Actual amount provided	Interest rate	Nature of Financing (Note 3)	Amount of sales to (purchases from) counter-party (Note 4)	Reason for Financing (Note 5)	Loss Allowance	Collateral			Limit of financing amount for individual counter-party	Limit of total financing amount	Note
													Item	Value				
0	PANJIT International Inc.	EC SOLAR C1 SRL	Other receivables	Yes	\$208,740	\$88,450	\$35,380	6.00%	Short-term financing	-	Operating turnover	-	-	-		\$5,537,170	\$5,537,170	(Note 7 - 12)
1	PAN-JIT ASIA INTERNATIONAL INC.	Jiangsu Aide Solar Technology Co., Ltd.	Other receivables	Yes	970,677	934,649	934,649	0.00%	Short-term financing	-	Operating turnover	-	-	-		3,965,112	8,723,246	(Note 8 - 12)
1	PAN-JIT ASIA INTERNATIONAL INC.	PANJIT International Inc.	Other receivables	Yes	591,660	569,700	443,100	0.00%	Short-term financing	-	Operating turnover	-	-	-		3,965,112	8,723,246	(Note 8 - 12)
2	SUZHOU GRANDE ELECTRONICS CO., LTD.	Jiangsu Aide Solar Technology Co., Ltd.	Other receivables	Yes	427,237	422,381	422,381	2.60%	Short-term financing	-	Operating turnover	-	-	-		1,220,301	1,220,301	(Note 9 - 12)
3	PAN JIT AMERICAS INC.	PAN-JIT ASIA INTERNATIONAL INC.	Other receivables	Yes	101,897	98,115	98,115	4.75%	Short-term financing	-	Operating turnover	-	-	-		107,357	107,357	(Note 10 - 12)
4	JOYSTAR INTERNATIONAL CO., LTD	Pynmax Technology Co., Ltd.	Other receivables	Yes	98,610	94,950	63,300	0.00%	Short-term financing	-	Operating turnover	-	-	-		263,088	263,088	(Note 11 - 12)
Total						\$2,208,245	\$1,996,925											

(Note 1): The numbering rule is as follows:

1. The parent company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

(Note 2): Accounts receivable from associates, accounts receivable from related parties, shareholder transactions, advance payments, temporary payments... and other items, if they are in the nature of capital loans, must be filled in this form.

(Note 3): The nature of the fund loan should be listed as a business transaction or a short-run financing need.

(Note 4): If the nature of the fund loan is a business transaction, the business transaction amount should be filled in. The business transaction amount refers to the amount of business transactions between the Company that lent the fund and the counterparty in the most recent year.

(Note 5): If the nature of the fund loan is short-run financing, the counterparty's reasons and the purpose for the loan should be specified, such as repayment of borrowings, purchase of equipment, business turnover... etc.

(Note 6): Pursuant to Article 14 Item 1 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, if a public company submits a capital loan to the Board of Directors for resolutions one by one, although the funds have not yet been allocated, the amount of the board of directors' resolutions should be included in the balance declared to expose the risk; however, if the funds are subsequently repaid, the balance after repayment shall be disclosed to reflect the adjustment of risk. Pursuant to Article 14 Item 2 of the Regulations, if a public company, through the resolution by the board of directors, authorizes the chairman of the board to allocate loans in installments or revolve them within a certain amount and within a one-year period, the capital loan and quota approved by the board of directors should still be used as the balance declared. Although the funds will be repaid thereafter, it is still possible to allocate the loan again, so the capital loan and quota approved by the board of directors should still be used as the balance declared.

(Note 7): For companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of capital loans to others by the Company shall not exceed 40% of the Company's net worth.

(1) PANJIT International Inc.: The net worth is NT\$13,842,925 thousand.

(Note 8): In accordance with the following regulations on the "Capital Loan to Others Operating Procedures" stipulated by each subsidiary of the Company, for companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of capital loans to others shall not exceed 40% of that company's net worth. If the subsidiary and the foreign companies in which the Company, directly and indirectly, hold 100% of the voting shares engage in fund lending, it is not subject to the above restrictions. However, the individual loan amount and the total amount of funds loaned to others shall not exceed 50% and 110% of that company's net worth. Calculate the net worth of the following companies in accordance with the operating procedures:

(1) PAN-JIT ASIA INTERNATIONAL INC.: The net worth is USD250,560 thousand, which is converted into NT\$7,930,224 thousand.

(Note 9): In accordance with the following regulations on the "Capital Loan to Others Operating Procedures" stipulated by each subsidiary of the Company, for companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of capital loans to others shall not exceed 40% of that company's net worth. If the subsidiary and the foreign companies in which the Company, directly and indirectly, hold 100% of the voting shares engage in fund lending, it is not subject to the above restrictions, but the individual loan amount and the total amount of funds loaned to others shall not exceed 150% of that company's net worth. Calculate the net worth of the following companies in accordance with the operating procedures:

(1) Suzhou Grande Electronics Co., Ltd.: The net worth is RMB179,866 thousand, which is converted into NT\$813,534 thousand.

(Note 10): In accordance with the following regulations on the "Capital Loan to Others Operating Procedures" stipulated by each subsidiary of the Company, for companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of financing loans to others shall not exceed 40% of that company's net worth. Calculate the net worth of the following companies in accordance with the operating procedures:

(1) PAN JIT AMERICAS INC.: The net worth is USD8,480 thousand, which is converted into NT\$268,392 thousand.

(Note 11): In accordance with the following regulations on the "Capital Loan to Others Operating Procedures" stipulated by each subsidiary of the Company, for companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of capital loans to others shall not exceed 40% of that company's net worth. If the subsidiary and the foreign companies in which the Company, directly and indirectly, hold 100% of the voting shares engage in fund lending, it is not subject to the above restrictions. However, the individual loan amount and the total amount of funds loaned to others shall not exceed 50% of that company's net worth. Calculate the net worth of the following companies in accordance with the operating procedures:

(1) JOYSTAR INTERNATIONAL CO., LTD. : The net worth is USD20,781 thousand, which is converted into NT\$657,719 thousand.

(Note 12): It had been written off in preparing the consolidated financial report.



English Translation of Financial Statements Originally Issued in Chinese

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT\$ thousands, unless otherwise indicated)

Endorsement/guarantee for others

Attachment 2

No. (Note 1)	Endorsor/Guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party (Note 3)	Maximum balance for the period (Note 4)	Ending balance (Note 5)	Actual amount provided (Note 6)	Amount of collateral guarantee/ endorsement	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee/ endorsement amount (Note 3)	Guarantee provided by parent company (Note 7)	Guarantee provided by a subsidiary (Note 7)	Guarantee provided to subsidiaries in Mainland China (Note 7)	Note
		Company name	Relationship (Note 2)											
0	PANJIT International Inc.	PAN-JIT ASIA INTERNATIONAL INC.	2	\$13,842,925	\$2,629,600	\$2,532,000	\$2,532,000	-	18.29%	\$13,842,925	Y	N	N	(Note 8)
0	PANJIT International Inc.	PANJIT JAPAN INC.	2	13,842,925	22,820	22,230	-	18,990	0.16%	\$13,842,925	Y	N	N	(Note 8)

(Note 1): The numbering rule is as follows:

1. The parent company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

(Note 2): The relationship between endorsement guarantor and the subject of endorsement or guarantee is as follows:

- (1) A company with which the Company has business relationship.
- (2) A subsidiary in which the Company directly or indirectly holds more than 50% of the voting shares.
- (3) The investee company whose parent company and subsidiary hold more than 50% of the common stock.
- (4) For the parent company that directly or indirectly holds more than 90% of its common stock equity through its subsidiaries.
- (5) Mutually guaranteed companies among counterparts based on the need for undertaking projects.
- (6) All capital contributing shareholders make endorsements/guarantees for their jointly invested Company in proportion to their shareholding percentages.
- (7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

(Note 3): Information to be filled out: According to the operating procedures of endorsement and guarantee for others, the Company's limit of endorsement/guarantee for individuals and the maximum amount of endorsement/guarantee. In the remarks column, explain the calculation method of the endorsement/guarantee for individuals and the total amount.

(Note 4): Highest amount of outstanding endorsement/guarantee for others in current period.

(Note 5): The amount approved by the Board of Directors should be filled. However, if according to Article 12, Paragraph 8 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the Board of Directors has authorized the chairman, it refers to the amount decided by the chairman.

(Note 6): The actual amount spent by the endorsed company within the range of the endorsed guarantee balance.

(Note 7): Y is required only for those who are the listed parent company to endorse the subsidiary, those who are the subsidiary to endorse the listed parent company, and those who are located in the mainland area.

(Note 8): According to the Company's "Procedures for Endorsement and Guarantee", the limit of the endorsement and guarantee for a single enterprise shall not exceed 100% of the Company's net worth (ie, NT\$13,842,925 thousand); The total amount of endorsement and guarantees for enterprises outside the Group shall not exceed 100% of the Company's net worth.

Attachment 3

Unit: NT\$, USD, CNY, EUR thousand

Holder	Type and name of securities (Note 1)	Relationship (Note 2)	Financial statement account	Ending Balance					Note (Note 4)
				Units/Shares (thousand shares)	Currency	Book value (Note 3)	Percentage of ownership	Fair value	
PANJIT International Inc.	Public shares								
	Jih Lin Technology Co., Ltd.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	717	NTD	\$49,107	0.70%	\$49,107	-
	OTC stock								
	Advanced Microelectronic Products, Inc.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	2,888	NTD	43,177	2.64%	43,177	-
	Unlisted stock								
	KAISON GREEN ENERGY TECHNOLOGY CO., LTD.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	236	NTD	1,423	3.34%	1,423	-
	WELLAN SYSTEM CO., LTD.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	445	NTD	-	1.53%	-	-
	TAIDEVELOP INFORMATION CORP.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	334	NTD	-	3.71%	-	-
	ENERGY MOANA TECHNOLOGY CO., LTD.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	1,200	NTD	3,045	2.96%	3,045	-
	Neolink Capital Corp.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	5,000	NTD	50,000	15.00%	50,000	-
	Notes and bills								
	VTeam Supply Chain Finance Limited	-	Financial assets measured at fair value through profit or loss - current	-	NTD	94,950	-	94,950	-
	Fund								
	Yuanta Japan Leaders Enterprise Fund	-	Financial assets measured at fair value through profit or loss - current	1,508	NTD	15,965	-	15,965	-
CHAMPION MICROELECTRONIC CORP.	Unlisted stock								
	HC PHOTONICS CORP.	-	Financial assets measured at fair value through profit or loss - non-current	109	NTD	684	0.54%	684	-
	Structured Products								
	TAIMIDE 1st Credit-Linked Structured Products	-	Financial assets measured at fair value through profit or loss - current	-	NTD	20,017	-	20,017	-
	JIYUAN PACKAGING-KY 1st Credit-Linked Structured Products	-	Financial assets measured at fair value through profit or loss - non-current	-	NTD	1,507	-	1,507	-
	Bora Pharmaceuticals 3rd Credit-Linked Structured Products	-	Financial assets measured at fair value through profit or loss - non-current	-	NTD	93,676	-	93,676	-
	SpeedTech 3rd Credit-Linked Structured Products	-	Financial assets measured at fair value through profit or loss - non-current	-	NTD	30,091	-	30,091	-
	Gloria Material Technology 7th Credit-Linked Structured Products	-	Financial assets measured at fair value through profit or loss - non-current	-	NTD	80,537	-	80,537	-
	Yeong Guan 4th-KY Credit-Linked Structured Products	-	Financial assets measured at fair value through profit or loss - non-current	-	NTD	58,828	-	58,828	-
	YuLon 2nd Credit-Linked Structured Products	-	Financial assets measured at fair value through profit or loss - non-current	-	NTD	10,037	-	10,037	-
	ESMT 1st Credit-Linked Structured Products	-	Financial assets measured at fair value through profit or loss - non-current	-	NTD	20,132	-	20,132	-
	BTL 1st Credit-Linked Structured Products	-	Financial assets measured at fair value through profit or loss - non-current	-	NTD	25,096	-	25,096	-
	Bon-Fame 3rd Credit-Linked Structured Products	-	Financial assets measured at fair value through profit or loss - non-current	-	NTD	20,077	-	20,077	-
	UltraChip 3rd Credit-Linked Structured Products	-	Financial assets measured at fair value through profit or loss - non-current	-	NTD	10,046	-	10,046	-
	WAITAI 6th Credit-Linked Structured Products	-	Financial assets measured at fair value through profit or loss - non-current	-	NTD	20,136	-	20,136	-
	Anji 3rd Credit-Linked Structured Products	-	Financial assets measured at fair value through profit or loss - non-current	-	NTD	20,136	-	20,136	-
	KENMEC 5th Credit-Linked Structured Products	-	Financial assets measured at fair value through profit or loss - non-current	-	NTD	10,009	-	10,009	-
PAN-JIT ASIA INTERNATIONAL INC.	Fund								
	HYPERION CAPITAL MANAGEMENT LTD.	-	Financial assets measured at fair value through profit or loss - non-current	-	USD	-	-	-	-
	Vertex Growth Fund II	-	Financial assets measured at fair value through profit or loss - non-current	-	USD	503	-	503	-
	Siegfried Capital Partners Fund II S.C.Sp.	-	Financial assets measured at fair value through profit or loss - current	-	USD	2,000	-	2,000	-
	Siegfried GFT Fund SP I	-	Financial assets measured at fair value through profit or loss - current	-	USD	8,987	-	8,987	-
	Yuanta Japan Leaders Enterprise Fund - JPY A TYPE	-	Financial assets measured at fair value through profit or loss - current	-	USD	1,454	-	1,454	-
	Siegfried Global Trade Finance Fund SP II (SCP6-SP II)	-	Financial assets measured at fair value through profit or loss - current	-	USD	1,212	-	1,212	-
	Siegfried Supply Chain Finance Fund S.C.A., SICAV-SIF- Series 1	-	Financial assets measured at fair value through profit or loss - current	-	USD	8,747	-	8,747	-
	VTEAM SIEGFRIED SUPPLY CHAIN FUND	-	Financial assets measured at fair value through profit or loss - current	-	USD	22,318	-	22,318	-
	SinoPac Multi-Series Fund SPC- SinoPac XinTao Taiwan Quantitative Fund (Segregated Portfolio) Class A Shares	-	Financial assets measured at fair value through profit or loss - current	-	USD	1,006	-	1,006	-
	Notes								
	VTeam Supply Chain Finance Limited	-	Financial assets measured at fair value through profit or loss - current	-	USD	24,000	-	24,000	-
	Wealth management products by financial institution								
	ERSTE GROUP BANK AG	-	Financial assets measured at amortized cost-Non-current	-	USD	451	-	451	-
	RAIFFEISEN BANK INTL	-	Financial assets measured at amortized cost-Non-current	-	USD	451	-	451	-
Convertible Bond									
	BORA PHARMACEUTICA 0%05/09/29	-	Financial assets measured at fair value through profit or loss - non-current	-	USD	1,504	-	1,504	-

(continued in next page)

English Translation of Financial Statements Originally Issued in Chinese  
Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)  
(Unit: NTS thousands, unless otherwise indicated)  
Securities held at the end of the period (excluding subsidiaries, associates, and joint ventures)

(continued from previous page)

Holder	Type and name of securities (Note 1)	Relationship (Note 2)	Financial statement account	Ending Balance					Note (Note 4)
				Units/Shares (thousand shares)	Currency	Book value (Note 3)	Percentage of ownership	Fair value	
PAN JIT Electronics (Wuxi) Co., Ltd.	Unlisted stock								
	Siyang Grande Electronics Co., Ltd.(Note 5)	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	-	CNY	15,962	15.00%	15,962	-
	Wuxi Danchen Intelligent Technology Co., Ltd.(Note 5)	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	-	CNY	3	10.00%	3	-
Pynmax Technology Co., Ltd.	(Formerly Wuxi One-Light-For-All Technology Development Co., Ltd.)								
	Public shares								
	Jih Lin Technology Co., LTd.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	766	NTD	52,471	0.75%	52,471	-
	Unlisted stock								
	HI-VAWT TECHNOLOGY CORP.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	1,000	NTD	-	6.67%	-	-
	Fund								
	Taishin Health Limited Partnership	-	Financial assets measured at fair value through profit or loss - non-current	-	NTD	36,724	-	36,724	-
	Mengluo Venture Capital Limited Partnership Fund	-	Financial assets measured at fair value through profit or loss - non-current	-	NTD	24,950	-	24,950	-
	Convertible Bond								
	Alltop Technology Corp. 5th Domestic Unsecured Convertible Bond	Associates	Financial assets measured at fair value through profit or loss - current	-	NTD	19,752	-	19,752	-
CONTINENTAL LIMITED	TAIWAN UNION TECHNOLOGY CORPORATION 4th Domestic Unsecured Convertible Bond	-	Financial assets measured at fair value through profit or loss - current	-	NTD	7,564	-	7,564	-
	Alltop Technology Corp. 6th Domestic Unsecured Convertible Bond	Associates	Financial assets measured at fair value through profit or loss - non-current	-	NTD	10,287	-	10,287	-
	Notes								
	VTeam Supply Chain Finance Limited	-	Financial assets measured at fair value through profit or loss - current	-	USD	9,000	-	9,000	-
JOYSTAR INTERNATIONAL CO., LTD.	Fund								
	Siegfried Supply Chain Finance Fund S.C.A., SICAV-SIF- Series 1	-	Financial assets measured at fair value through profit or loss - current	-	USD	5,167	-	5,167	-
	Fund								
	Siegfried Capital Partners Fund II S.C.Sp.	-	Financial assets measured at fair value through profit or loss - current	-	USD	200	-	200	-
	Vteam Siegfried Supply Chain Finance Fund	-	Financial assets measured at fair value through profit or loss - current	-	USD	9,607	-	9,607	-
	Siegfried Global Trade Finance Fund SPC-SP I	-	Financial assets measured at fair value through profit or loss - current	-	USD	4,965	-	4,965	-
	SinoPac Multi-Series Fund SPC- SinoPac XinTao Taiwan Quantitative Fund (Segregated Portfolio) Class A Shares	-	Financial assets measured at fair value through profit or loss - current	-	USD	1,006	-	1,006	-
	Siegfried Supply Chain Finance Fund S.C.A., SICAV-SIF- Series 1	-	Financial assets measured at fair value through profit or loss - current	-	USD	2,683	-	2,683	-
	Convertible Bond								
	BORA PHARMACEUTICA 0%05/09/29	-	Financial assets measured at fair value through profit or loss - non-current	-	USD	501	-	501	-
Wisdom Mega Corp.	Unlisted stock								
Wisdom Bright Inc.	SiFotonics Technologies Co., Ltd	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	2,040	NTD	123,130	2.31%	123,130	-
	Fund								
AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	Siegfried Supply Chain Finance Fund S.C.A., SICAV-SIF- Series 1	-	Financial assets measured at fair value through profit or loss - current	-	USD	8,742	-	8,742	-
	Fund								
	Vteam Siegfried Supply Chain Finance Fund	-	Financial assets measured at fair value through profit or loss - current	-	USD	7,760	-	7,760	-
	Siegfried Supply Chain Finance Fund S.C.A., SICAV-SIF- Series 1	-	Financial assets measured at fair value through profit or loss - current	-	USD	4,650	-	4,650	-
	SinoPac Multi-Series Fund SPC- SinoPac XinTao Taiwan Quantitative Fund (Segregated Portfolio) Class A Shares	-	Financial assets measured at fair value through profit or loss - current	-	USD	454	-	454	-
	Notes								
	VTeam Supply Chain Finance Limited	-	Financial assets measured at fair value through profit or loss - current	-	USD	7,700	-	7,700	-
	Convertible Bond								
	BORA PHARMACEUTICA 0%05/09/29	-	Financial assets measured at fair value through profit or loss - non-current	-	USD	501	-	501	-
	Fund								
AIDE ENERGY EUROPE B.V.	Siegfried Capital Partners Fund II S.C.Sp.	-	Financial assets measured at fair value through profit or loss - current	-	EUR	1,150	-	1,150	-
Jiangsu Aide Solar Technology Co., Ltd.	Unlisted stock								
	MOTECH (Suzhou) New Energy Co., Ltd. (Note 5)	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	-	CNY	29,114	4.61%	29,114	Has been pledged to subsidiaries

(Note 1): The securities mentioned in this attachment refer to stocks, bonds, beneficiary certificates and securities derived from the above items within the scope of IFRS 9 "Financial Instruments."

(Note 2): If the securities issuer is not a related party, this column should be left blank.

(Note 3): Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortized cost deducted by accumulated impairment for the marketable securities not measured at fair value.

(Note 4): The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the foot NOTE if the securities presented herein have such conditions.

(Note 5): It is a limited company, so the number of shares and net worth per share are not available.

## Attachment 4

Purchaser (seller)	Counter-party	Relationship	Transactions				Situation and reason for difference between transaction condition and common transaction		Notes and accounts receivable(payable)		Note
			Purchases (Sales)	Amount (Note 2)	Percentage of total purchases (sales)	Credit Term	Unit price	Credit Term	Balance (Note 2)	Percentage of total receivables (payable)	
PANJIT International Inc.	PAN JIT Electronics (Wuxi) Co., Ltd.	Subsidiaries	(Sales)	(\$1,238,996)	19%	General	Not applicable	Not applicable	\$503,813	20%	(Note 2)
	PAN JIT AMERICAS, INC.	Subsidiaries	(Sales)	(\$146,143)	2%	General	Not applicable	Not applicable	\$18,137	1%	(Note 2)
	PAN JIT Electronics (Wuxi) Co., Ltd.	Subsidiaries	Purchase	1,466,820	43%	General	Not applicable	Not applicable	(535,864)	46%	(Note 2)
	Pynmax Technology Co., Ltd.	Subsidiaries	Purchase	320,894	10%	General	Not applicable	Not applicable	(172,173)	15%	(Note 2)
Pynmax Technology Co., Ltd.	PANJIT International Inc.	The Company	(Sales)	(320,894)	45%	General	Not applicable	Not applicable	172,173	55%	(Note 2)
	PAN JIT Electronics (Wuxi) Co., Ltd.	Subsidiaries	(Sales)	(337,945)	47%	General	Not applicable	Not applicable	116,023	37%	(Note 2)
PAN JIT Electronics (Wuxi) Co., Ltd.	PANJIT International Inc.	The Company	(Sales)	(1,466,820)	30%	General	Not applicable	Not applicable	535,864	22%	(Note 2)
	PANJIT SEMICONDUCTOR (XUZHOU) CO., LTD.	Subsidiaries	(Sales)	(131,838)	3%	General	Not applicable	Not applicable	117,244	5%	(Note 2)
	PANJIT International Inc.	The Company	Purchase	1,238,996	25%	General	Not applicable	Not applicable	(503,813)	28%	(Note 2)
	Pynmax Technology Co., Ltd.	Subsidiaries	Purchase	337,945	7%	General	Not applicable	Not applicable	(116,023)	6%	(Note 2)
	PANJIT SEMICONDUCTOR (XUZHOU) CO., LTD.	Subsidiaries	Purchase	385,592	8%	General	Not applicable	Not applicable	(69,154)	4%	(Note 2)
	Pan Jit Electronics (Shandong) CO., LTD.	Subsidiaries	Purchase	149,776	3%	General	Not applicable	Not applicable	(71,143)	4%	(Note 2)
	Zibo Micro Commercial Components Corp.	Associates	Purchase	162,952	3%	General	Not applicable	Not applicable	(37,590)	2%	-
PANJIT SEMICONDUCTOR (XUZHOU) CO., LTD.	PAN JIT Electronics (Wuxi) Co., Ltd.	Subsidiaries	(Sales)	(385,592)	100%	General	Not applicable	Not applicable	69,154	100%	(Note 2)
	PAN JIT Electronics (Wuxi) Co., Ltd.	Subsidiaries	Purchase	131,838	61%	General	Not applicable	Not applicable	(117,244)	72%	(Note 2)
Pan Jit Electronics (Shandong) CO., LTD.	PAN JIT Electronics (Wuxi) Co., Ltd.	Subsidiaries	(Sales)	(149,776)	78%	General	Not applicable	Not applicable	71,143	54%	(Note 2)
PAN JIT AMERICAS, INC.	PANJIT International Inc.	The Company	Purchase	146,143	98%	General	Not applicable	Not applicable	(18,137)	92%	(Note 2)

(Note 1): The amount of paid-in capital refers to the amount of paid-in capital of the parent company. If the issuer's stock has no denomination or the denomination per share is not NT\$10, the transaction amount of 20% of the paid-in capital shall be calculated based on the 10% of the equity attributable to the owner of the parent company on the balance sheet.

(Note 2): It had been written off in preparing the consolidated financial report.

English Translation of Financial Statements Originally Issued in Chinese

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT\$ thousands, unless otherwise indicated)

Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock

Attachment 5

The companies that record receivables	Counter-party	Relationship	Ending balance	Turnover rate	Overdue receivables		Amount received in subsequent period	Note
					Amount	Collection status		
PANJIT International Inc.	PAN JIT Electronics (Wuxi) Co., Ltd.	Subsidiaries	\$503,813	3.28	\$24,202	Urging Payment	-	(Note 2,3)
Pynmax Technology Co., Ltd.	PANJIT International Inc.	The Company	172,173	2.50	3,121	Urging Payment	-	(Note 2,3)
	PAN JIT Electronics (Wuxi) Co., Ltd.	Subsidiaries	116,023	3.88	-	-	-	(Note 2,3)
PAN JIT Electronics (Wuxi) Co., Ltd.	PANJIT International Inc.	The Company	535,864	3.65	-	-	187,037	(Note 2,3)
	PANJIT SEMICONDUCTOR (XUZHOU) CO., LTD.	Subsidiaries	117,244	1.50	-	-	36,184	(Note 2,3)

(Note 1): The amount of paid-in capital refers to the amount of paid-in capital of the parent company. If the issuer's stock has no denomination or the denomination per share is not NT\$10, the transaction amount of 20% of the paid-in capital shall be calculated based on the 10% of the equity attributable to the owner of the parent company on the balance sheet.

(Note 2): The consolidated financial report is prepared and the percentage of ownership is 100% and no allowance for loss is required.

(Note 3): It had been written off in preparing the consolidated financial report.

English Translation of Financial Statements Originally Issued in Chinese

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NTS thousands, unless otherwise indicated)

Name, Location, and Related Information about Investee Companies (Not Including Investee Companies in Mainland China)

Attachment 6

Investor company	Investee Companies (Note 1, 2)	Location	Main business items	Currency	Initial investment		Investment as of Sept. 30, 2024			Net income (loss) of investee company (Note 2(2))	Investment income (loss) recognized (Note 2(3))	Dividend distribution of invested companies in this period		Note
					Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value			Stock Dividends	Cash dividends	
PANJIT International Inc.	PAN-JIT ASIA INTERNATIONAL INC.	Vistra Corporate Services Centre Wickhams Cay II Road Town,Tortola,Vg1110 Virgin Islands,British	Investment holding	NTD	\$7,286,295	\$7,286,295	224,724	100.00%	\$7,805,682	\$292,868	\$302,463	-	\$	Subsidiaries (Note 4, 5)
	Pymmax Technology Co., Ltd.	No. 17, Yonggong 1st Rd., Yong'an Dist., Kaohsiung City	Electronic parts and components manufacturing and international trade	NTD	1,069,816	1,069,816	84,493	94.64%	1,384,643	90,894	100,092	-	(42,246)	Subsidiaries (Note 4, 5)
	MILDEX OPTICAL INC.	No. 7, Luke 3rd Rd., Luzhu Dist., Kaohsiung City, Southern Science Industrial Park	Optical lens, instrument, and touch panel Display panel manufacturing	NTD	259,523	259,523	16,328	21.01%	233,735	16,364	3,438	-	(8,164)	
	Alltop Technology Co., Ltd.	3F., No. 102, Sec. 3, Zhongshan Rd., Zhonghe Dist., New Taipei City	Electronic parts and components manufacturing and international trade	NTD	1,501,814	1,482,721	11,393	18.12%	1,639,389	705,178	114,602	-	(129,798)	(Note 4)
	CHAMPION MICROELECTRONIC CORP.	5 F., No. 11, Yuanqu 2nd Rd., East Dist., Hsinchu City	Research and development, design and manufacture and technology consultation of power IC, field effect transistors and fast recovery diodes, international trade	NTD	1,979,953	1,947,704	24,536	30.68%	1,886,495	167,905	50,748	-	(71,988)	Subsidiaries (Note 4, 5)
	AIDE ENERGY EUROPE COÖPERATIE U.A.	Strevelsweg 700 - Unit 312, 3083 AS Rotterdam	Investment holding	NTD	732,259	732,259	-	100.00%	885,346	42,008	42,008	-	-	Subsidiaries(Note 5)
	PANJIT JAPAN INC.	No. 1-31-11, Kichijoji Honmachi, Musashino City, Tokyo KS ㄟ /6F606	Electronics trade	NTD	12,320	11,286	5	55.00%	3,932	(11,263)	(5,869)	-	-	Subsidiaries(Note 5)
	PAN-JIT INTERNATIONAL (H.K.) LTD.	Unit 1-5 ,18/F., Wah Wai Centre, No.38-40 Au Pui Wan Street, Fotan,Shatin,New Territories	Electronics trade	NTD	108,991	108,991	9,711	100.00%	121,596	9,826	9,866	-	-	Subsidiaries(Note 5)
	PANSTAR SEMICONDUCTOR CO., LTD.	No. 17-1, Yonggong 1st Rd., Yong'an Dist., Kaohsiung City	Electronic parts and components manufacturing and international trade	NTD	-	10,000	-	0.00%	-	(4,259)	(1,248)	-	-	Subsidiaries(Note 5)
	PAN JIT KOREA CO.,LTD.	Tower A dong 3601 Ho, Heung Deuk IT Valey, Heung Deuk 1ro 13 Gi Heung-Gu, Yong In City GyungGi-Do, Korea	Electronics trade	NTD	23,097	-	54	60.00%	32,215	16,432	7,366	-	-	Subsidiaries(Note 5)
	MetaWellIs Co., Ltd (Formerly PANTOP Technology Co.,Ltd.)	No. 17, Yonggong 1st Rd., Yong'an Dist., Kaohsiung City	Electronic parts and components manufacturing and international trade	NTD	-	-	-	0.00%	-	(5,813)	(39)	-	-	Subsidiaries(Note 5)
	PANJIT Investment Co., Ltd.	No. 17, Yonggong 1st Rd., Yong'an Dist., Kaohsiung City	Investment holding	NTD	30,000	-	3,000	100.00%	23,486	(6,204)	(6,204)	-	-	Subsidiaries(Note 5)
PANJIT Investment Co., Ltd.	PANSTAR SEMICONDUCTOR CO., LTD.	No. 17-1, Yonggong 1st Rd., Yong'an Dist., Kaohsiung City	Electronic parts and components manufacturing and international trade	NTD	10,372	-	1,000	33.33%	10,123	(4,259)	(248)	-	-	Subsidiaries(Note 5)
	MetaWellIs Co., Ltd (Formerly PANTOP Technology Co.,Ltd.)	No. 17, Yonggong 1st Rd., Yong'an Dist., Kaohsiung City	Electronic parts and components manufacturing and international trade	NTD	15,461	-	2,000	100.00%	9,687	(5,813)	(5,774)	-	-	Subsidiaries(Note 5)
PAN-JIT ASIA INTERNATIONAL INC.	PAN JIT AMERICAS, INC.	2502 W. Huntington Drive Tempe, AZ 85282	Sale of electronic	USD	16,626	16,626	2,431	95.86%	8,888	540	575	-	-	Sub-subsidiary (Note 4, 5)
	PAN JIT EUROPE GMBH	Otto-Hahn-Str. 285609 Aschheim Germany	Sale of electronic	USD	770	770	-	100.00%	2,692	140	140	-	-	Sub-subsidiary (Note 5)
	CONTINENTAL LIMITED	Vistra Corporate Services Centre, Ground Floor NPF Bulding, BeachRoad, Apia ,Samoa	Investment holding	USD	24,726	19,726	22,360	100.00%	64,497	1,040	1,040	-	(2,718)	Sub-subsidiary (Note 5)
	DYNAMIC TECH GROUP LIMITED	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia ,Samoa	Investment holding	USD	-	914	-	0.00%	-	(4)	(2)	-	-	Sub-subsidiary (Note 5)
	PAN JIT KOREA CO.,LTD.	Tower A dong 3601 Ho, Heung Deuk IT Valey, Heung Deuk 1ro 13 Gi Heung-Gu, Yong In City GyungGi-Do, Korea	Sale of electronic	USD	-	288	-	0.00%	-	511	79	-	(723)	Sub-subsidiary (Note 5)
	AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands	Investment holding and sale of Photoelectric products	USD	145,868	145,868	246,249	94.43%	(20,928)	822	776	-	-	Sub-subsidiary (Note 5)

(continued in next page)

English Translation of Financial Statements Originally Issued in Chinese  
Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)  
(Unit: NT\$ thousands, unless otherwise indicated)  
Name, Location, and Related Information about Investee Companies (Not Including Investee Companies in Mainland China)

(continued from previous page)

Investor company	Investee Companies (Note 1, 2)	Location	Main business items	Currency	Initial investment		Investment as of Sept. 30, 2024			Net income (loss) of investee company (Note 2(2))	Investment income (loss) recognized (Note 2(3))	Dividend distribution of invested companies in this period		Note
					Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value			Stock Dividends	Cash dividends	
Pynmax Technology Co., Ltd.	JOYSTAR INTERNATIONAL CO., LTD.	4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands VG1110	Investment holding	NTD	\$665,266	\$665,266	21,522	100.00%	\$696,245	\$37,375	\$37,375	-	-	Sub-subsidiary (Note 5)
	MILDEX OPTICAL INC.	No. 7, Luke 3rd Rd., Luzhu Dist., Kaohsiung City, Southern Science Industrial Park	Optical lens, instrument, and touch panel Display panel manufacturing	NTD	288,852	288,852	6,429	8.27%	92,004	16,364	1,353	-	(3,215)	
CHAMPION MICROELECTRONIC CORP.	Wisdom Bright Inc.(Wisdom bright)	Republic of Seychelles	Investment holding	NTD	351,949	79,505	11,024	100.00%	357,781	7,377	7,377	-	-	Sub-subsidiary (Note 5)
	Wisdom Mega Corp.(Wisdom Mega)	Republic of Seychelles	Investment holding	NTD	125,250	125,250	4,000	100.00%	123,130	-	-	-	-	Sub-subsidiary (Note 5)
	PANJIT JAPAN INC.	No. 1-31-11, Kichijoji Honmachi, Musashino City, Tokyo KS ㄆ 6F606	Electronics trade	NTD	2,172	2,172	1	10.00%	715	(11,263)	(1,126)	-	-	Subsidiary (Note 5)
	Golden Champion Digital Power Corporation	21st Floor, No. 96, Section 1, Xintai 5th Road, Xizhi District, New Taipei City	Electronic component manufacturing and Product design industry	NTD	1,000	1,000	1,000	100.00%	962	(38)	(38)	-	-	Sub-subsidiary (Note 5)
JOYSTAR INTERNATIONAL CO., LTD.	DYNAMIC TECH GROUP LIMITED	Vistra Corporate Services Centre, Ground Floor NPF Bulding, Beach Road, Apia ,Samoa	Investment holding	USD	-	1,029	-	0.00%	-	(4)	(2)	-	-	Sub-subsidiary (Note 5)
AIDE ENERGY EUROPE COÖPERATIE U.A.	AIDE ENERGY EUROPE B.V.	Strevelsweg 700 - Unit 312, 3083 AS Rotterdam	Investment holding and sales	EUR	18,620	18,620	2	100.00%	25,024	1,189	1,189	-	-	Sub-subsidiary (Note 5)
AIDE ENERGY EUROPE B.V.	EC SOLAR C1 SRL	Viale Andrea Doria 7 Cap 20124 MILANO (MI), Italy.	Sales of solar power plants Electricity produced	EUR	17,000	17,000	- (Note 3)	100.00%	23,573	1,293	1,158	-	-	Sub-subsidiary (Note 4,5)
Wisdom Bright Inc.	Wisdom Toprich Technology Limited (Wisdom Toprich)	Republic of Seychelles	Investment holding	NTD	79,505	79,505	2,504	100.00%	80,053	(883)	(883)	-	-	Sub-subsidiary (Note 5)

(Note 1): If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

(Note 2): If situation does not belong to Note 1, fill in the columns according to the following regulations:

(1) The columns of "Investee", "Location", "Main business activities", "Initial investment amount" and "Shares held as at March 31, 2024" should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the "Note" column.

(2) The "Net income (loss) of investee company" column should fill in amount of net profit (loss) of the investee for this period.

(3) The "Investment income (loss) recognized" column should fill in the Company (public company) recognized investment income (loss) of its direct subsidiary and recognized investment income (loss) of its investee accounted for under the equity method for this period.  
When filling in recognized investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognized by regulations.

(Note 3): It is a limited company or a merged company, so there is no number of shares.

(Note 4): The investment gain or loss recognized by the Company include the offset of unrealized gain or loss between associates and the amortization of net equity differences.

(Note 5): It had been written off in preparing the consolidated financial report.

English Translation of Financial Statements Originally Issued in Chinese  
Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)  
(Unit: NT\$ thousands, unless otherwise indicated)  
Information on investment in mainland China

Attachment 7

Investor company	Investee Companies in Mainland China	Main business items	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of 30 September, 2024	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 2)	Carrying Value as of 30 September, 2024	Accumulated Inward Remittance of Earnings as of Outflow 30 September, 2024
						Outflow	Inflow						
PANJIT International Inc.	Pan Jit Electronics (Wuxi) Co., Ltd.	Rectifier processing and manufacutring	\$860,880	2 PAN-JIT ASIA INTERNATIONAL INC.	\$502,145	\$-	\$-	\$502,145	\$152,665	100.00%	\$152,665 (Note 5)	\$3,324,556 (Note 5)	\$56,439
	Suzhou Grande Electronics CO., LTD.	Chip diodes, triodes and other new types of electronics Sales of semiconductor components and related products, as well as technology and after service	\$371,554	2 CONTINENTAL LIMITED	344,900	-	-	344,900	1,120	100.00%	1,120 (Note 5)	870,543 (Note 5)	-
	Wuxi ENR Semiconductor Material Technology Co. Ltd. (Formerly Wuxi ENR Semiconductor Materials Technology Co. Ltd.)	Semiconductor paking materials Manufacturing and sales	\$87,300	2 ENR APPLIED PACKING MATERIAL CORPORATION	9,037	-	-	9,037	-	-	-	-	-
	Max-Diode Electronic., LTD. (Shenzhen)	New types of electronic components, Semiconductor controlled rectifirer sales	\$52,667	2 PAN-JIT ASIA INTERNATIONAL INC. DYNAMIC TECH GROUP LIMITED(Note 6)	47,151	-	-	47,151	258	100.00%	260 (Note 5)	15,016 (Note 5)	-
	Pan Jit Electronics (Beijing) CO., LTD.	New types of electronic components, Semiconductor controlled rectifirer sales	\$4,523	3 PAN JIT Electronics (Wuxi) Co., Ltd.	-	-	-	-	(1,372)	100.00%	(1,372) (Note 5)	3,912 (Note 5)	-
	Pan Jit Electronics (Shandong) CO., LTD.	Semiconductor wafer manufacturing for automobile And protection of discrete devices, integrated circuit chips And production of packaging products	\$347,005	3 PAN JIT Electronics (Wuxi) Co., Ltd.	-	-	-	-	52,760	70.28%	37,080 (Note 5)	334,773 (Note 5)	-
	Pan Jit Electronics (Qufu) CO., LTD.	New types of electronic components, Semiconductor controlled rectifier sales	\$2,262	3 PAN JIT Electronics (Wuxi) Co., Ltd.	-	-	-	-	(267)	100.00%	(267) (Note 5)	1,321 (Note 5)	-
	PAN JIT SEMICONDUCTOR(XUZHOU) CO., LTD.	New types of electronic components, Semiconductor controlled rectifier sales	\$1,142,692	3 PAN JIT Electronics (Wuxi) Co., Ltd.	-	-	-	-	(70,497)	100.00%	(70,497) (Note 5)	751,630 (Note 5)	-

(continued in next page)



English Translation of Financial Statements Originally Issued in Chinese

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT\$ thousands, unless otherwise indicated)

Information on investment in mainland China

(continued from previous page)

Investor company	Investee Companies in Mainland China	Main business items	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of 30 September, 2024	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 2)	Carrying Value as of 30 September, 2024	Accumulated Inward Remittance of Earnings as of Outflow 30 September, 2024
						Outflow	Inflow						
PANJIT International Inc.	Zibo Micro Commercial Components Corp.	Rectifier diode, rectifier bridge, Electronic devices	\$884,194	3 Suzhou Grande Electronics Co. Ltd.	\$-	\$-	\$-	\$-	\$10,429	18.86%	\$1,967	\$141,016	\$-
	Jiangsu Aide Solar Energy Technology CO., LTD.	Solar engery product development manufacturing, sales, Self-acting agents of various commodities and technology import and export	\$253,606	2 AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	1,573,193	-	-	1,573,193	(8,487)	94.43%	(8,014) (Note 5)	(1,786,154) (Note 5)	-
Pynmax Technology Co., Ltd.	Max-Diode Electronic,. LTD. (Shenzhen)	New types of electronic components, Semiconductor controlled rectifirer	\$52,667	2 DYNAMIC TECH GROUP LIMITED	34,806	-	-	34,806	258	- (Note 6)	(47) (Note 5)	- (Note 6)	-
CHAMPION MICROELECTRONIC CORP.	Great Power Microelectronics Corp.	Electronic products development, product import, export, and wholesale business	\$87,038	2 Wisdom Toprich Technology Limited	76,885	-	-	76,885	(883)	100.00%	(883) (Note 5)	80,053 (Note 5)	-

Cumulative investment amount remitted from Taiwan to Mainland China at the end of the period				Investment amount approved by Investment Review Committee of Ministry of Economy		Investment ceiling in Mainland China according to provisions of Investment Review Committee of Ministry of Economy	
PANJIT International Inc.		\$2,476,426		\$3,803,405		(Note 3)	
Pynmax Technology Co., Ltd.		\$34,806		\$34,806		(Note 4) \$907,814	
CHAMPION MICROELECTRONIC CORP.		\$76,885		\$76,885		(Note 4) \$951,694	

(Note 1): The methods for engaging in investment in Mainland China include the following:

- (1) Direct investment in Mainland China.
- (2) Indirectly investment in Mainland China through companies registered in a third region (Please specify the name of the company in third region).
- (3) Other methods.

(Note 2): The investment income (loss) recognized in current period:

- (1) It should be indicated if the investee was still in the incorporation arrangement and had not yet any profit during this period.
- (2) The investment income (loss) were determined based on the following basis,
  - A. The financial report was audited by an international certified public accounting firm in cooperation with an R.O.C. accounting firm.
  - B. The financial statements were audited by the auditors of the parent company.
  - C. Others.

(Note 3): Due to the Company's establishment of the operating headquarters, in accordance with the provisions of the law, the amount of investment in mainland China is not limited.

(Note 4): Calculations of investment ceiling in Mainland China are as follows:

Pynmax Technology Co., Ltd.: NT\$1,513,024 thousand × 60% = NT\$907,814 thousand.

CHAMPION MICROELECTRONIC CORP.: NT\$1,586,157 thousand × 60% = NT\$951,694 thousand.

(Note 5): It had been written off in preparing the consolidated financial report.

(Note 6): PAN-JIT ASIA INTERNATIONAL INC. acquired 100% equity of Max-Diode Electronic,.LTD. (Shenzhen) from DYNAMIC TECH GROUP LIMITED in May 2024, which was approved by the Investment Review Committee.

English Translation of Financial Statements Originally Issued in Chinese  
Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)  
(Unit: NT\$ thousands, unless otherwise indicated)

Business relationships and significant transactions and amount between parent company and subsidiaries and among subsidiaries

Attachment 8

No. (Note 1)	Name of transaction party	Counter-party	Relationship (Note 2)	Transaction Status (Note 4)			
				Subject	Amount (Notes 5)	Transaction condition	Percentage of total revenue or assets (Note 3)
0	PANJIT International Inc.	Pan Jit Electronics (Wuxi) Co., Ltd.	1	Purchase	\$1,466,820	The transaction price is based on the average cost and marked on a certain ratio.	15%
				Trade payable	535,864	-	2%
				Sales	1,238,996	-	13%
				Trade receivable	503,813	-	2%
0	PANJIT International Inc.	Pynmax Technology Co., Ltd.	1	Purchase	320,894	The transaction price is based on the average cost and marked on a certain ratio.	3%
				Trade payable	172,173	-	1%
0	PANJIT International Inc.	PAN JIT AMERICAS, INC.	1	Sales	146,143	The transaction price is based on the average cost and marked on a certain ratio.	2%
1	Pynmax Technology Co., Ltd.	Pan Jit Electronics (Wuxi) Co., Ltd.	3	Sales	337,945	The transaction price is based on the average cost and marked on a certain ratio.	4%
				Trade receivable	116,023	-	0%
2	Pan Jit Electronics (Wuxi) Co., Ltd.	PANJIT Semiconductor (Xuzhou) Co., Ltd.	3	Purchase	385,592	The transaction price is based on the average cost and marked on a certain ratio.	4%
				Sales	131,838	-	1%
				Trade receivable	117,244	-	0%
2	Pan Jit Electronics (Wuxi) Co., Ltd.	Pan Jit Electronics (Shandong) CO., LTD.	3	Purchase	149,776	The transaction price is based on the average cost and marked on a certain ratio.	2%
3	Suzhou Grande Electronics Co. Ltd.	Jiangsu Aide Solar Energy Technology Co., Ltd.	3	Other receivables	422,381	Based on contract of loans.	1%
4	PAN-JIT ASIA INTERNATIONAL INC.	Jiangsu Aide Solar Energy Technology Co., Ltd.	3	Other receivables	934,649	Based on contract of loans.	3%
4	PAN-JIT ASIA INTERNATIONAL INC.	PANJIT International Inc.	2	Other receivables	443,100	Based on contract of loans.	2%
5	AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	Jiangsu Aide Solar Energy Technology Co., Ltd.	3	Prepay for goods	492,582	-	2%

(Note 1): The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is "0."

(2) The subsidiaries are numbered in order starting from "1."

(Note 2): Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

(Note 3): Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

(Note 4): If the transaction amount between parent and subsidiary reaches NT\$100 million or more, it shall be disclosed.

(Note 5): It had been written off in preparing the consolidated financial report.

English Translation of Financial Statements Originally Issued in Chinese

Notes to the Consolidated Financial Statements of PANJIT International Inc. and Subsidiaries (continued)

(Unit: NT\$ thousands, unless otherwise indicated)

Information on Major Shareholders

Attachment 9

Unit: shares

Name of Major Shareholders	Shares	Number of shares	Percentage of ownership (%)
Jinmao Investment Co., Ltd		53,771,710	14.07%

(Note 1): The major shareholders in this attachment are shareholders holding more than 5% of the common and preference stocks that have completed delivery of non-physical registration (including treasury stocks) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. However, the Capital stock recorded in the Company's financial statements and the number of shares actually delivered by the Company without physical registration may differ due to calculation bases.

(Note 2): If a shareholder delivers its shareholding information to the trust, the aforesaid information shall be disclosed by the individual trustee who opened the trust account. For information on shareholders, who declare to be insiders holding more than 10% of shares in accordance with the Securities and Exchange Act, and their shareholdings include their shareholdings plus their delivery of trust and shares with the right to make decisions on trust property, please refer to MOPS.