

Stock Code: 6261

YoungTek Electronics Corp.
And Its Subsidiaries

Consolidated Financial Statements and
Independent Auditors' Report

Nine Months Ended September 30, 2024 and 2023

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Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

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INDEPENDENT AUDITORS' REPORT

To: YoungTek Electronics Corp.,

Preface

The consolidated balance sheets of YoungTek Electronics Corp. and its subsidiaries as of September 30, 2024 and 2023, the consolidated statements of comprehensive income for the periods from July 1 to September 30, 2024 and 2023, and from January 1 to September 30, 2024 and 2023, as well as the consolidated statements of changes in equity and consolidated statements of cash flows for the periods from January 1 to September 30, 2024 and 2023, and notes to the consolidated financial statements (including a summary of significant accounting policies), have been reviewed by the accountant. According to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission, it is the responsibility of management to prepare and fairly present the consolidated financial statements. The accountant’s responsibility is to express a conclusion on the consolidated financial statements based on the review.

Scope

Except for the matters described in the Basis for Qualified Conclusion section, the accountant conducted the review in accordance with Standards on Review Engagements No. 2410 “Review of Financial Information”. The procedures performed in reviewing the consolidated financial statements include inquiries (primarily with personnel responsible for financial and accounting matters), analytical procedures, and other review procedures. The scope of a review is substantially less than that of an audit and consequently, the accountant may not become aware of all significant matters that might be identified in an audit. Accordingly, the accountant does not express an audit opinion.

Basis for Qualified Conclusion

As described in Note 13 to the consolidated financial statements, the financial statements of certain non-significant subsidiaries included in the aforementioned consolidated financial statements were not reviewed by accountants. Their total assets as of September 30, 2024 and 2023 were NT\$1,582,324 thousand and NT\$1,331,659 thousand, representing 19.29% and 16.56% of the consolidated total assets, respectively; their total liabilities were NT\$151,808 thousand and NT\$143,940 thousand, representing 10.51% and 11.41% of the consolidated total liabilities, respectively; and their total comprehensive income for the periods from July 1 to September 30, 2024 and 2023, and from January 1 to September 30, 2024 and 2023 were NT\$(43,564) thousand, NT\$(23,433) thousand, NT\$(98,760) thousand and NT\$(14,180) thousand, representing (73.99)%, (13.47)%, (27.51)% and (3.56)% of the consolidated total comprehensive income, respectively. Furthermore, as described in Note 14 to the consolidated financial statements, the investment balances accounted for using the equity method as of September 30, 2024 and 2023 were NT\$161,938 thousand and NT\$173,106 thousand respectively, and the related shares of profit or loss for the periods from July 1 to September 30, 2024 and 2023, and from January 1 to September 30, 2024 and 2023 were NT\$(4,016) thousand, NT\$(1,093) thousand, NT\$(9,121) thousand and NT\$(6,774) thousand respectively, which were recognized and disclosed based on the financial statements of the investee companies for the same periods that were not reviewed by accountants. In addition, the relevant information on the reinvested enterprises as described in Note 36 to the consolidated financial statements related to the aforementioned subsidiaries and investees was also not reviewed by the accountant.

Qualified Conclusion

Based on our review, except for the possible effects of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain non-significant subsidiaries and investee companies been reviewed by accountants as described in the Basis for Qualified Conclusion 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 Youngtek Electronics Corporation and its subsidiaries as of September 30, 2024 and 2023, their consolidated financial performance for the periods from July 1 to September 30, 2024 and 2023, and their consolidated financial performance and cash flows for the periods from January 1 to September 30, 2024 and 2023, in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China
November 6, 2024

Notice to Reader

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YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

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

Unit: NT\$ Thousands

Code	Assets	September 30, 2024		December 31, 2023		September 30, 2023		Code	Liabilities and Equities	September 30, 2024		December 31, 2023		September 30, 2023	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
	Current Assets								Current Liabilities						
1100	Cash and cash equivalents (Note 6)	\$2,397,824	29	\$2,640,259	32	\$2,328,459	29	2120	Financial liability measured at fair value through profit or loss- Current (Note 4 and 7)	\$ 2,987	-	\$ -	-	\$ -	-
1120	Financial assets measured at fair value through other comprehensive income- Current (Note 8)	62,459	1	62,204	1	57,106	1	2130	Current contract liability (Note 26)	79,673	1	171,960	2	156,606	2
1170	Notes and accounts receivable (Note 10)	981,547	12	1,071,862	13	939,805	12	2170	Notes and accounts payable (Note 21)	467,303	6	326,257	4	246,030	3
1180	Notes and accounts receivable due from related parties (Note 32)	99,172	1	93,208	1	92,615	1	2180	Accounts payable to related parties (Note 32)	14	-	15	-	68	-
1200	Other receivables (Note 10)	16,891	-	15,765	-	17,115	-	2219	Other payables (Note 22 and 32)	360,020	4	393,749	5	361,929	5
130X	Inventories (Note 11 and 30)	1,074,626	13	990,387	12	1,082,251	13	2230	Current tax liabilities (Note 4 and 28)	141,480	2	158,437	2	125,061	2
1460	Disposal groups held for sale (Note 4 and 12)	119,035	2	-	-	-	-	2250	Current provisions (Note 23)	7,002	-	5,974	-	24,298	-
1470	Other current assets (Note 19)	228,356	3	226,391	2	230,816	3	2260	Liabilities directly associated with disposal groups held for sale (Note 4 and 12)	151,256	2	-	-	-	-
11XX	Total amount of current assets	4,979,910	61	5,100,076	61	4,748,167	59	2280	Current lease liabilities (Note 16 and 32)	14,988	-	20,818	-	22,311	-
	Non-current Assets							2399	Other current liabilities (Note 22)	7,002	-	11,016	-	10,710	-
1510	Non-current financial assets measured at fair value through profit or loss (Note 17)	14,542	-	14,824	-	-	-	21XX	Total amount of current liabilities (Note 7)	1,231,725	15	1,088,226	13	947,013	12
1517	Non-current financial assets measured at fair value through other comprehensive income (Note 8)	382,051	5	425,733	5	463,081	6		Non-current Liabilities						
1535	Non-current financial assets at amortized cost (Note 9 and 33)	22,237	-	20,950	-	20,950	-	2540	Long-term borrowings (Note 20 and 33)	-	-	141,761	2	146,973	2
1550	Investments accounted for using equity method (Note 14)	161,938	2	163,558	2	173,106	2	2580	Non-current lease liabilities (Note 16 and 32)	203,317	3	154,853	2	159,958	2
1600	Property, plant and equipment (Note 15, 30, 32 and 33)	2,026,224	25	2,224,535	27	2,272,053	28	2645	Guarantee deposits received (Note 15)	8,924	-	7,084	-	7,084	-
1755	Right-of-use asset (Note 16)	221,754	3	200,226	3	208,164	3	25XX	Total amount of non-current liabilities	212,241	3	303,698	4	314,015	4
1760	Net amount of investment property (Note 17)	1,590	-	1,687	-	1,719	-	2XXX	Total liabilities	1,443,966	18	1,391,924	17	1,261,028	16
1780	Intangible assets (Note 18)	36,918	-	30,213	1	26,415	1		Equity Attributable to Owners of the Company (Note 25)						
1840	Deferred income tax assets (Note 4 and 28)	79,404	1	75,401	1	78,787	1	3110	Share capital						
1915	Prepayments for business facilities (Note 15)	235,884	3	20,355	-	22,741	-	3110	Ordinary share	1,284,980	16	1,284,980	16	1,284,980	16
1975	Net defined benefit asset (Note 4 and 24)	35,847	-	26,977	-	23,545	-	3200	Capital surplus	2,439,404	30	2,439,724	29	2,442,347	30
1990	Other non-current assets (Note 19 and 32)	6,087	-	3,106	-	3,106	-	3310	Retained earnings						
15XX	Total amount of non-current assets	3,224,476	39	3,207,565	39	3,293,667	41	3310	Legal reserve	1,208,208	15	1,155,550	14	1,155,550	14
								3320	Special reserve	17,785	-	32,695	-	32,695	1
1XXX	Total Assets	\$8,204,386	100	\$8,307,641	100	\$8,041,834	100	3350	Undistributed earnings	1,645,963	20	1,804,178	22	1,599,462	20
								3300	Total amount of retained earnings	2,871,956	35	2,992,423	36	2,787,707	35
								3400	Other equity interest	(34,382)	(1)	(17,785)	-	32,605	-
								31XX	Total equity of owners of the company	6,561,958	80	6,699,342	81	6,547,639	81
								36XX	Non-controlling interests (Note 13 and 25)	198,462	2	216,375	2	233,167	3
								3XXX	Total equity	6,760,420	82	6,915,717	83	6,780,806	84
									Total Liabilities and Equities	\$8,204,386	100	\$8,307,641	100	\$8,041,834	100

The accompanying notes are an integral part of these consolidated financial statements.
(Please refer to the audit report dated November 6, 2024 by Deloitte & Touche)

Chairman: Ping-Lung Wang

Manager: Wei-Tang Hsiao

Chief Accountant: Chiao-Fen Chen

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

July 1 to September 30, 2024 and 2023, and January 1 to September 30, 2024 and 2023

Unit: NT\$ Thousands, except earnings per share which is NT\$

Code		July 1 to September 30, 2024		July 1 to September 30, 2023 (Revised)		January 1 to September 30, 2024		January 1 to September 30, 2023 (Revised)	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating Revenue (Note 26 and 32)	\$ 963,086	100	\$ 823,560	100	\$ 3,041,196	100	\$ 2,535,233	100
5000	Operating costs (Note 11, 27 and 32)	<u>679,389</u>	<u>70</u>	<u>602,911</u>	<u>74</u>	<u>2,082,073</u>	<u>69</u>	<u>1,880,048</u>	<u>74</u>
5900	Gross profit	<u>283,697</u>	<u>30</u>	<u>220,649</u>	<u>26</u>	<u>959,123</u>	<u>31</u>	<u>655,185</u>	<u>26</u>
	Operating expenses (Note 10, 24, 27 and 32)								
6100	Selling expenses	49,482	5	38,318	5	132,384	4	90,194	4
6200	Administrative expenses	51,636	6	33,420	4	149,897	5	130,097	5
6300	Research and development expense	87,720	9	76,849	9	258,550	9	228,261	9
6450	Gain on reversal of expected credit losses (profit)	<u>20,988</u>	<u>2</u>	<u>938</u>	<u>-</u>	<u>44,616</u>	<u>1</u>	<u>(19,489)</u>	<u>(1)</u>
6000	Total amount of operating expenses	<u>209,826</u>	<u>22</u>	<u>149,525</u>	<u>18</u>	<u>585,447</u>	<u>19</u>	<u>429,063</u>	<u>17</u>
6510	Net other revenue and cost (Note 27 and 32)	<u>9,692</u>	<u>1</u>	<u>40,307</u>	<u>5</u>	<u>28,980</u>	<u>1</u>	<u>65,220</u>	<u>2</u>
6900	Net operating income	<u>83,563</u>	<u>9</u>	<u>111,431</u>	<u>13</u>	<u>402,656</u>	<u>13</u>	<u>291,342</u>	<u>11</u>
	Non-operating income and expenses								
7100	Interest revenue (Note 27)	11,181	1	10,358	1	35,066	1	33,266	1
7010	Other revenue (Note 27)	7,107	1	17,103	2	8,027	-	19,933	1
7020	Other gains and losses (Note 27)	(401)	-	38,411	5	49,170	2	28,372	1
7050	Financial costs (Note 27 and 32)	(1,809)	-	(1,314)	-	(4,924)	-	(8,696)	-
7060	Share of profit or loss of associates accounted for using equity method (Note 14)	<u>(4,016)</u>	<u>(1)</u>	<u>(1,093)</u>	<u>-</u>	<u>(9,121)</u>	<u>-</u>	<u>(6,774)</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>12,062</u>	<u>1</u>	<u>63,465</u>	<u>8</u>	<u>78,218</u>	<u>3</u>	<u>66,101</u>	<u>3</u>
7900	Profit before tax	95,625	10	174,896	21	480,874	16	357,443	14
7950	Income tax expense (Note 4 and 28)	<u>5,723</u>	<u>1</u>	<u>(210)</u>	<u>-</u>	<u>96,241</u>	<u>3</u>	<u>1,892</u>	<u>-</u>
8000	Net income for the period from continuing operations	89,902	9	175,106	21	384,633	13	355,551	14
8100	Loss from discontinued operations (Note 12)	<u>(5,216)</u>	<u>-</u>	<u>(7,079)</u>	<u>(1)</u>	<u>(18,007)</u>	<u>(1)</u>	<u>(26,994)</u>	<u>(1)</u>
8200	Net profit for the period	<u>84,686</u>	<u>9</u>	<u>168,027</u>	<u>20</u>	<u>366,626</u>	<u>12</u>	<u>328,557</u>	<u>13</u>
	Other comprehensive income (Note 25)								
8310	Items that will not be reclassified to profit or loss:								
8316	Unrealized valuation gains and losses from investment in equity instrument measured at fair value through other comprehensive income	(23,228)	(2)	(25,253)	(3)	(43,427)	(1)	56,759	2

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Code		July 1 to September 30, 2024		July 1 to September 30, 2023 (Revised)		January 1 to September 30, 2024		January 1 to September 30, 2023 (Revised)	
		Amount	%	Amount	%	Amount	%	Amount	%
8320	Other comprehensive income of associates accounted for using equity method	\$ 1,735	-	\$ -	-	\$ 4,808	-	\$ -	-
8360	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translation of foreign financial statements	(4,313)	(1)	31,185	4	31,008	1	13,025	1
8300	Total amount of other comprehensive income	(25,806)	(3)	5,932	1	(7,611)	-	69,784	3
8500	Total comprehensive income for the period	\$ 58,880	6	\$ 173,959	21	\$ 359,015	12	\$ 398,341	16
	Net (loss) profit attributable to:								
8610	Owner of this company	\$ 92,015	10	\$ 178,711	21	\$ 393,525	13	\$ 321,864	13
8620	Non-controlling interests	(7,329)	(1)	(10,684)	(1)	(26,899)	(1)	6,693	-
8600		\$ 84,686	9	\$ 168,027	20	\$ 366,626	12	\$ 328,557	13
	Total comprehensive income attributable to:								
8710	Owner of this company	\$ 67,834	7	\$ 174,786	21	\$ 376,928	12	\$ 387,164	15
8720	Non-controlling interests	(8,954)	(1)	(827)	-	(17,913)	-	11,177	1
8700		\$ 58,880	6	\$ 173,959	21	\$ 359,015	12	\$ 398,341	16
	Earnings per Share (Note 29)								
	From continuing operations and discontinued operations								
9750	Basis point	\$ 0.72		\$ 1.39		\$ 3.06		\$ 2.50	
9850	Dilution	\$ 0.71		\$ 1.39		\$ 3.04		\$ 2.49	
	From continuing operations								
9710	Basis point	\$ 0.76		\$ 1.45		\$ 3.20		\$ 2.71	
9810	Dilution	\$ 0.75		\$ 1.44		\$ 3.18		\$ 2.70	

The accompanying notes are an integral part of these consolidated financial statements.
(Please refer to the audit report dated November 6, 2024 by Deloitte & Touche)

Chairman: Ping-Lung Wang

Manager: Wei-Tang Hsiao

Chief Accountant: Chiao-Fen Chen

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Nine Month Ended September 30, 2024 and 2023

Unit: NT\$ Thousands

Code		Equity Attributable to Owners of the Company					Other Equity Interest Items		Total	Non-controlling Interests	Total Equity
		Share Capital	Capital Surplus	Retained Earnings			Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains and Losses from Financial Assets Measured at Fair Value Through Other Comprehensive Income			
				Statutory Reserves	Special Reserve	Undistributed Earnings					
A1	Balance on January 1, 2023	\$ 1,284,980	\$ 2,454,456	\$ 1,067,713	\$ -	\$ 2,040,620	(\$ 81,802)	\$ 49,107	\$ 6,815,074	\$ 221,990	\$ 7,037,064
	2022 surplus distribution and allocation										
B1	Legal reserve	-	-	87,837	-	(87,837)	-	-	-	-	-
B3	Special reserve	-	-	-	32,695	(32,695)	-	-	-	-	-
B5	The Company's cash dividend for shareholders	-	-	-	-	(642,490)	-	-	(642,490)	-	(642,490)
C3	Recipient of a gift	-	143	-	-	-	-	-	143	-	143
C7	Amount of changes recognized using the equity method for associates	-	(12,249)	-	-	-	-	-	(12,249)	-	(12,249)
C17	Distribution of overdue dividends that have been capitalized from capital surplus	-	(3)	-	-	-	-	-	(3)	-	(3)
D1	Net profit from January 1, 2023 to September 30, 2023	-	-	-	-	321,864	-	-	321,864	6,693	328,557
D3	Other comprehensive income from January 1, 2023 to September 30, 2023	-	-	-	-	-	8,541	56,759	65,300	4,484	69,784
D5	Total comprehensive income from January 1, 2023 to September 30, 2023	-	-	-	-	321,864	8,541	56,759	387,164	11,177	398,341
Z1	Balance on September 30, 2023	\$ 1,284,980	\$ 2,442,347	\$ 1,155,550	\$ 32,695	\$ 1,599,462	(\$ 73,261)	\$ 105,866	\$ 6,547,639	\$ 233,167	\$ 6,780,806
A1	Balance on January 1, 2024	\$ 1,284,980	\$ 2,439,724	\$ 1,155,550	\$ 32,695	\$ 1,804,178	(\$ 91,401)	\$ 73,616	\$ 6,699,342	\$ 216,375	\$ 6,915,717
	2023 surplus distribution and allocation										
B1	Legal reserve	-	-	52,658	-	(52,658)	-	-	-	-	-
B17	Special reserve reversal	-	-	-	(14,910)	14,910	-	-	-	-	-
B5	The Company's cash dividend for shareholders	-	-	-	-	(513,992)	-	-	(513,992)	-	(513,992)
C3	Recipient of a gift	-	35	-	-	-	-	-	35	-	35
C7	Amount of changes recognized using the equity method for associates	-	(355)	-	-	-	-	-	(355)	-	(355)
D1	Net profit (losses) from January 1, 2024 to September 30, 2024	-	-	-	-	393,525	-	-	393,525	(26,899)	366,626
D3	Other comprehensive income from January 1, 2024 to September 30, 2024	-	-	-	-	-	22,022	(38,619)	(16,597)	8,986	(7,611)
D5	Total comprehensive income from January 1, 2024 to September 30, 2024	-	-	-	-	393,525	22,022	(38,619)	376,928	(17,913)	359,015
Z1	Balance on September 30, 2024	\$ 1,284,980	\$ 2,439,404	\$ 1,208,208	\$ 17,785	\$ 1,645,963	(\$ 69,379)	\$ 34,997	\$ 6,561,958	\$ 198,462	\$ 6,760,420

The accompanying notes are an integral part of these consolidated financial statements.
(Please refer to the audit report dated November 6, 2024 by Deloitte & Touche)

Chairman: Ping-Lung Wang

Manager: Wei-Tang Hsiao

Chief Accountant: Chiao-Fen Chen

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Nine Month Ended September 30, 2024 and 2023

Unit: NT\$ Thousands

Code		January 1 to September 30, 2024	January 1 to September 30, 2023 (Revised)
	Cash Flows from Operating Activities		
A00010	Net profit before tax from continuing operations	\$ 480,874	\$ 357,443
A00020	Loss from discontinued operations	(18,007)	(26,994)
A10000	Net profit before tax for the period	462,867	330,449
A20010	Revenue expense and loss items		
A20100	Depreciation expense	349,732	424,085
A20200	Amortization expense	11,229	8,153
A20300	Expected credit impairment loss (reversal gain)	44,616	(19,489)
A20400	Losses on financial assets measured at fair value through profit or loss	3,269	-
A20900	Financial costs	9,802	15,305
A21200	Interest revenue	(35,085)	(33,531)
A21300	Dividend revenue	(6,478)	(16,344)
A22300	Share of profit or loss of associates accounted for using equity method	9,121	6,774
A22500	Gains on disposals of property, plant and equipment	(4,134)	(42,698)
A23700	Impairment loss recognized in profit or loss, property, plant and equipment	4,424	-
A23700	Loss for market price decline and obsolete and slow-moving inventories	31,990	33,740
A24100	Net foreign exchange loss (gain)	(17,261)	22,917
A30000	Net changes in operating assets and liabilities		
A31150	Notes and accounts receivable	85,748	(127,192)
A31160	Notes and accounts receivable due from related parties	(5,964)	(28,047)
A31180	Other receivables	(15,558)	(960)
A31200	Inventories	(220,566)	(163,845)
A31240	Other current assets	(3,280)	(103,321)
A32125	Contract liability	(92,287)	85,575
A32150	Notes and accounts payable	142,653	(176,327)
A32160	Accounts payable to related parties	(1)	68
A32180	Other payables	(32,086)	(101,132)
A32200	Provisions for liabilities	1,028	(1,101)
A32230	Other current liabilities	(3,697)	(2,062)
A32240	Net defined benefit liability	(8,870)	(8,544)
A33000	Cash flow from operations	711,212	102,473
A33100	Interest received	34,476	33,201
A33200	Dividend received	6,478	21,739
A33300	Interest paid	(9,637)	(15,238)
A33500	Income tax paid	(107,506)	(31,564)
AAAA	Net cash inflow from operating activities	<u>635,023</u>	<u>110,611</u>

(Continued on next page)

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<u>Code</u>		<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023 (Revised)</u>
	Cash Flows from Investing Activities		
B00040	Acquisition of financial assets at amortized cost	(\$ 1,287)	(\$ 3,355)
B00050	Disposal of financial assets at amortized cost	-	161,453
B02700	Purchase of property, plant and equipment	(110,935)	(244,689)
B02800	Proceeds from disposal of non-current assets, plant and equipment	4,395	44,167
B03700	Increase of refundable deposit	(2,981)	(100)
B03800	Decrease of refundable deposit	-	2,187
B04500	Purchase of intangible assets	(18,328)	(2,148)
B06700	Decrease (increase) in other non-current assets	-	8,466
B07100	Decrease (increase) in prepaid equipment fees	(<u>215,529</u>)	(<u>6,970</u>)
BBBB	Net cash outflow from investing activities	(<u>344,665</u>)	(<u>40,989</u>)
	Cash Flows from Financing Activities		
C00200	Decrease of short-term debt	-	(153,500)
C01600	Long-term borrowings	-	141,256
C01700	Repayment of long-term borrowings	-	(153,600)
C03000	Increase of deposits received	1,840	-
C04020	Principal repayment of leases	(17,440)	(18,595)
C04500	Distributing cash dividends	(513,992)	(642,490)
C09900	Recipient of a gift	35	143
C09900	Payment of cash dividends transferred to capital surplus	-	(<u>3</u>)
CCCC	Net cash outflow from financing activities	(<u>529,557</u>)	(<u>826,789</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>696</u>	(<u>2,499</u>)
EEEE	Net decrease in cash and cash equivalents	(238,503)	(759,666)
E00100	Beginning balance of cash and cash equivalents	<u>2,640,259</u>	<u>3,088,125</u>
E00200	Ending balance of cash and cash equivalents	<u>\$ 2,401,756</u>	<u>\$ 2,328,459</u>

Reconciliation of Cash and Cash Equivalents at End of Period

<u>Code</u>		<u>September 30, 2024</u>	<u>September 30, 2023</u>
E00210	Cash and cash equivalents presented in consolidated balance sheet	\$ 2,397,824	\$ 2,328,459
E00240	Cash and cash equivalents included in disposal groups held for sale	<u>3,932</u>	<u>-</u>
E00200	Ending balance of cash and cash equivalents	<u>\$ 2,401,756</u>	<u>\$ 2,328,459</u>

The accompanying notes are an integral part of these consolidated financial statements.
(Please refer to the audit report dated November 6, 2024 by Deloitte & Touche)

Chairman: Ping-Lung Wang

Manager: Wei-Tang Hsiao

Chief Accountant: Chiao-Fen Chen

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Month Ended September 30, 2024 and 2023

(Unless otherwise noted, amounts are in thousands of New Taiwan dollars)

1. Company History

YoungTek Electronics Corp. (hereinafter referred to as the Company or YTEC) was approved and established as a limited company in Hsinchu City on July 22, 1991. Its main businesses are electronic component manufacturing, machinery equipment manufacturing, and manufacturing for export.

The Company's stock has been listed and traded on the Taipei Exchange (TPEX) in Taiwan since March 29, 2004.

On January 1, 2015, the Company merged with Wecon Automation Machinery Corp. by way of absorption merger, with Wecon being the dissolved company and the Company being the surviving company.

For the principal operating activities of the Company and its subsidiaries, please refer to Note 13 for details.

This consolidated financial report is expressed in the Company's functional currency of New Taiwan Dollars.

2. Date and Procedures of Approval of the Financial Statements

This consolidated financial report was approved by the board of directors for release on November 6, 2024.

3. Application of New and Amended Standards and Interpretations

(1) The first application of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC) (hereinafter referred to as "IFRS Accounting Standards") recognized and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the "FSC").

The applicable amendments to the IFRS accounting standards approved and issued by the Financial Supervisory Commission will not result in significant changes to the Group's accounting policies.

- (2) IFRS accounting standards approved by the Financial Supervisory Commission applicable in 2025

New, Revised and Amended Standards or Interpretations	Effective Date of International Accounting Standards Board (IASB) Issuance
Amendment to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)

Note 1: Applicable to annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendment, comparative periods shall not be restated. Instead, the effects shall be recognized in retained earnings or exchange differences on translation of foreign operations (as appropriate) and related affected assets and liabilities as of the date of initial application.

As of the date of approval for issuance of these consolidated financial statements, the Group is still evaluating the impact of the amendments to other standards and interpretations on its financial position and financial performance, which will be disclosed when the evaluation is completed.

- (3) IFRS Accounting Standards Issued by the IASB but not yet endorsed and issued into effect by the FSC

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

Note 1: Unless otherwise noted, the above newly issued/amended/revised standards or interpretations are effective for annual reporting periods beginning on or after the respective effective dates.

1. IFRS 18 “Presentation and Disclosure of Financial Statements”

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

- The income statement should present revenue and expense items classified by nature into operating, investing, financing, income tax and discontinued operations categories.
- The income statement should present operating profit or loss, profit or loss before financing and income tax, subtotals of profit or loss, and totals.
- It provides guidance to strengthen the requirements for aggregation and disaggregation: A consolidated entity shall identify assets, liabilities, equity, income, expenses and cash flows arising from individual transactions or other events, and classify and aggregate them on the basis of shared characteristics for presentation as single line items in the primary financial statements, with each item sharing at least one characteristic. Items with different characteristics should be disaggregated in the primary financial statements and notes. The consolidated company shall label such items as “others” only when it cannot find more informative names.
- It increases disclosure requirements for management-defined performance measures: When a consolidated entity publicly communicates information outside the financial statements, or communicates with users of financial statements regarding management’s view of an aspect of the consolidated entity’s financial performance, the entity shall disclose information about management-defined performance measures in a single note to the financial statements. This includes a description of the measure, how it is calculated, a reconciliation to the most directly comparable IFRS-specified total or subtotal, and the effect of tax and non-controlling interests on the reconciling items.

Except the effect of above, as of the date of approval for issuance of these consolidated financial statements, the Group is still evaluating the impact of the amendments to other standards and interpretations on its financial position and financial performance, which will be disclosed when the evaluation is completed.

4. Summary of Significant Accounting Policies

(1) Declaration of Compliance

This consolidated financial report is prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IAS 34 “Interim Financial Reporting” accounting standards endorsed and issued into effect by the Financial Supervisory Commission. This consolidated financial report does not include all IFRS accounting standard disclosures required in a complete annual financial report.

(2) Basic Editing

Except for financial instruments measured at fair value, this consolidated financial report is prepared on the historical cost basis.

Fair value measurement is categorized into Level 1 to Level 3 based on the observability and significance of the relevant inputs:

1. Level 1 Inputs: Refers to quoted prices (unadjusted) in active markets for identical assets or liabilities that are observable at the measurement date.
2. Level 2 Inputs: Refer to observable inputs for the asset or liability other than quoted prices included in Level 1, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
3. Level 3 Inputs: Refers to unobservable inputs for the asset or liability.

(3) Merger Fundamentals

This consolidated financial report includes the financial reports of the Company and the entities controlled by the Company (subsidiaries). The consolidated statements of comprehensive income have included the operating income and losses of the subsidiaries acquired or disposed of during the period from the date of acquisition or until the date of disposal. The financial reports of the subsidiaries have been adjusted to align their accounting policies with those of the Group. In preparing the consolidated financial statements, all inter-entity transactions, account balances, income and expenses have been fully eliminated. The total comprehensive income of the subsidiaries is attributed to the owners of the Company and non-controlling interests, even if the non-controlling interests become a deficit balance.

When the change in a parent company’s ownership interest in a subsidiary does not result in a loss of control, it is accounted for as an equity transaction. The carrying amounts of the Group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the parent.

For details of subsidiaries, shareholding ratios, and business operations, please refer to Note 13 and Table 7.

(4) Others Description of Significant Accounting Policies

Except for the following descriptions, please refer to the summary of significant accounting policies in the 2023 consolidated financial statements.

1. The Criteria for Distinguishing Between Current and Non-current Assets and Liabilities

Current assets include:

- (1) Assets held primarily for trading purposes;
- (2) Assets to be realized within 12 months after the balance sheet date of expectation; and
- (3) Cash and cash equivalents (excluding any restricted cash that is not available for exchange or use to settle liabilities for more than twelve months after the balance sheet date).

Current liabilities include:

- (1) Liabilities held primarily for trading purposes;
- (2) Liabilities due to be settled within twelve months after the balance sheet date (regardless of whether refinancing or rearrangement of payment terms occurs between the balance sheet date and the date of approval of the financial statements, these liabilities are still classified as current liabilities), and
- (3) Liabilities that do not have the substantive right to defer settlement for at least 12 months after the balance sheet date are classified as current liabilities.

Items that are not classified as current assets or current liabilities are classified as non-current assets or non-current liabilities.

2. Financial Liability

(1) Subsequent Evaluation

Except for the following situations, all financial liabilities are measured at amortized cost using the effective interest method.

A. Financial liability measured at fair value through profit or loss

Financial liabilities at fair value through profit or loss include those held for trading.

Financial liabilities held for trading are measured at fair value, with related gains or losses recognized in other gains and losses/interest incurred recognized in finance costs, and other remeasurement gains or losses recognized in other gains and losses.

Please refer to Note 31 for the determination of fair value.

(2) Derecognition of Financial Liabilities

When derecognizing a financial liability, the difference between its carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized as profit or loss.

3. Non-current Assets Held for Sale

The disposal group's carrying amount is classified as held for sale when it is expected to be recovered principally through a sale transaction rather than through continuing use. The disposal group that meets this classification must be available for immediate sale in its present condition, and its sale must be highly probable. When the appropriate level of management is committed to a plan to sell the asset, and the sale transaction is expected to be completed within one year from the date of classification, it will meet the criteria of being highly probable for sale.

When the sale will result in loss of control over a subsidiary, all assets and liabilities of that subsidiary are classified as held for sale, regardless of whether non-controlling interests in the former subsidiary are retained after the sale.

The disposal group classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell, and depreciation on such assets is ceased.

4. Defined Benefit Post-Employment Benefits

Pension costs for interim periods are calculated based on the actuarially determined pension cost rate as of the end of the prior year, applied from the beginning of the year to the end of the current period, and adjusted for significant market fluctuations during the current period, and significant plan amendments, settlements, or other significant one-time events.

5. Income Tax Expense

Income tax expense is the sum of current income tax and deferred income tax. Income tax for interim periods is assessed on an annual basis, calculated on interim profit before tax using the tax rate applicable to expected total annual earnings.

5. Significant Accounting Judgments and Assumptions, and Key Sources of Estimation Uncertainty

Please refer to the 2023 consolidated financial statements for the description of the critical accounting judgments, estimates and key sources of estimation uncertainty.

6. Cash and Cash Equivalents

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Cash on hand and petty cash	\$ 589	\$ 549	\$ 659
Bank checks and demand deposits	678,841	953,218	727,722
Cash equivalents (investments with original maturities within 3 months)			
Bank time deposit	1,638,189	1,686,492	1,600,078
Bonds Purchased under Resale Agreements	<u>80,205</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,397,824</u>	<u>\$ 2,640,259</u>	<u>\$ 2,328,459</u>

The interest rate range for bank deposits on the balance sheet date is as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Cash in banks	0.001%~5.41%	0.001%~5.780%	0.001%~5.580%
Bonds Purchased under Resale Agreements	1.28%	-	-

7. Financial Instruments Measured at Fair Value Through Profit or Loss

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Non-current Financial Assets</u>			
Mandatorily measured at fair value through profit or loss			
Non-derivative financial asset			
- Limited partnership	\$ <u>14,542</u>	\$ <u>14,824</u>	\$ <u>-</u>
<u>Financial Liability - Current</u>			
Held for trading			
Derivatives (Not Designated for Hedging)			
- Forward exchange contracts (1)	\$ <u>2,987</u>	\$ <u>-</u>	\$ <u>-</u>

- (1) Outstanding forward exchange contracts not accounted for using hedge accounting and entered into by the Group at the balance sheet date were as follows:

September 30, 2024

	<u>Currency</u>	<u>Maturity Period</u>	<u>Contract Amount (Thousands)</u>
Forward Foreign Exchange Sold	CNY to TWD	April 15 to October 31, 2024	CNY5,000/NTD21,875
Forward Foreign Exchange Sold	CNY to TWD	June 24 to October 31, 2024	CNY5,000/NTD22,000
Forward Foreign Exchange Sold	CNY to TWD	June 25 to November 29, 2024	CNY5,000/NTD22,005
Forward Foreign Exchange Sold	CNY to TWD	August 21 to November 29, 2024	CNY5,000/NTD22,210
Forward Foreign Exchange Sold	CNY to TWD	August 21 to December 31, 2024	CNY5,000/NTD22,010
Forward Foreign Exchange Sold	CNY to TWD	June 26 to December 31, 2024	CNY5,000/NTD22,200
Forward Foreign Exchange Sold	CNY to TWD	August 22 to February 27, 2025	CNY5,000/NTD22,200

The purpose of the Company's forward foreign exchange transactions is mainly to hedge against the risks arising from exchange rate fluctuations on foreign currency assets and liabilities.

8. Financial Assets Measured at Fair Value Through Other Comprehensive Income

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Current</u>			
Equity investments measured at fair value through other comprehensive income	\$ 62,459	\$ 62,204	\$ 57,106
<u>Non-current</u>			
Equity investments measured at fair value through other comprehensive income	<u>382,051</u>	<u>425,733</u>	<u>463,081</u>
	<u>\$ 444,510</u>	<u>\$ 487,937</u>	<u>\$ 520,187</u>

(1) Equity Investments Measured at Fair Value Through Other Comprehensive Income

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Current</u>			
Domestic investment			
Listed stocks	<u>\$ 62,459</u>	<u>\$ 62,204</u>	<u>\$ 57,106</u>
<u>Non-current</u>			
Domestic investment			
Listed, OTC, and Emerging Stocks	\$ 281,454	\$ 317,240	\$ 277,989
Unlisted stocks	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Subtotal	286,454	322,240	282,989
Foreign investment			
Unlisted stocks	<u>95,597</u>	<u>103,493</u>	<u>180,092</u>
	<u>\$ 382,051</u>	<u>\$ 425,733</u>	<u>\$ 463,081</u>

The Group invests in aforementioned domestic and foreign stocks according to strategic objectives, and expects to profit through the investments. The Group's management believes that recognizing the short-term fair value fluctuations of these investments in profit or loss would not be consistent with the aforementioned investment plan, and therefore chooses to designate these investments as measured at fair value through other comprehensive income.

9. Financial Assets at Amortized Cost

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Non-current</u>			
Domestic investment			
Time deposits with original maturity over 1 year (1)	\$ <u>22,237</u>	\$ <u>20,950</u>	\$ <u>20,950</u>

- (1) As of September 30, 2024, and December 31 and September 30, 2023, the interest rate ranges for time deposits with original maturities over 3 months were 0.575%-1.700% per annum, 0.160%-1.450% per annum, and 0.160%-1.450% per annum, respectively.
- (2) For information on financial assets measured at amortized cost pledged as collateral, see Note 33.

10. Notes Receivable, Accounts Receivable, and Other Receivables

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Notes Receivable</u>			
Arising from business operations	\$ 51,805	\$ 74,847	\$ 40,188
<u>Accounts Receivable</u>			
Measured at amortized cost			
Total account amount	\$ 1,001,072	\$ 1,023,152	\$ 935,075
Less: Allowance for losses	(71,330)	(26,137)	(35,458)
	<u>929,742</u>	<u>997,015</u>	<u>899,617</u>
Net amount of notes and accounts receivable	<u>\$ 981,547</u>	<u>\$ 1,071,862</u>	<u>\$ 939,805</u>
<u>Other Receivables</u>			
income tax refund receivable	\$ 10,403	\$ 6,073	\$ 7,367
Earned revenue receivable	3,785	3,176	3,027
Others	<u>2,703</u>	<u>6,516</u>	<u>6,721</u>
	<u>\$ 16,891</u>	<u>\$ 15,765</u>	<u>\$ 17,115</u>

The consolidated company's average credit period for the sale of goods is 90 to 180 days. Accounts receivable are non-interest bearing, and adequate collateral is obtained where necessary to mitigate the risk of financial loss from default. The consolidated company uses other publicly available financial information and historical transaction records to rate major customers. The consolidated company continuously monitors credit exposures and the credit ratings of counterparties, and manages credit risk through annual reviews and approved credit limits for counterparties.

The consolidated company recognizes an allowance for doubtful accounts for expected credit losses over the lifetime of receivables. Lifetime expected credit losses are calculated using a provision matrix that considers the customer's past default records, current financial condition, and industry economic conditions. Since the consolidated company's credit loss experience shows no significant difference in loss patterns among different customer groups, the provision matrix is not further segregated by customer groups, but rather establishes the expected credit loss rate based solely on the number of days the receivables are past due.

If there is evidence that the counterparty is facing severe financial difficulties and the Group cannot reasonably expect to recover the amount, such as the counterparty undergoing liquidation, the Group directly writes off the relevant receivables. However, the pursuit of recovery activities will continue, and any amount recovered from the pursuit will be recognized in profit or loss.

The Group measures the allowance for doubtful accounts receivable as follows based on the provision matrix:

September 30, 2024

	<u>Not Overdue</u>	<u>91-120 Days</u>	<u>121-150 Days</u>	<u>151-180 Days</u>	<u>181 Days or More</u>	<u>Total</u>
Expected credit loss rate	-	7.33%	10.09%	9.99%	32.89%	
Total account amount	\$ 600,165	\$ 88,245	\$ 109,199	\$ 57,074	\$ 146,389	\$ 1,001,072
Loss allowances (lifetime expected credit losses)	-	(6,467)	(11,020)	(5,701)	(48,142)	(71,330)
Amortized cost	<u>\$ 600,165</u>	<u>\$ 81,778</u>	<u>\$ 98,179</u>	<u>\$ 51,373</u>	<u>\$ 98,247</u>	<u>\$ 929,742</u>

December 31, 2023

	<u>Not Overdue</u>	<u>91-120 Days</u>	<u>121-150 Days</u>	<u>151-180 Days</u>	<u>181 Days or More</u>	<u>Total</u>
Expected credit loss rate	-	6.72%	7.83%	9.95%	19.37%	
Total account amount	\$ 833,099	\$ 62,045	\$ 15,452	\$ 11,090	\$ 101,466	\$ 1,023,152
Loss allowances (lifetime expected credit losses)	-	(4,167)	(1,210)	(1,104)	(19,656)	(26,137)
Amortized cost	<u>\$ 833,099</u>	<u>\$ 57,878</u>	<u>\$ 14,242</u>	<u>\$ 9,986</u>	<u>\$ 81,810</u>	<u>\$ 997,015</u>

September 30, 2023

	<u>Not Overdue</u>	<u>91-120 Days</u>	<u>121-150 Days</u>	<u>151-180 Days</u>	<u>181 Days or More</u>	<u>Total</u>
Expected credit loss rate	-	3.18%	17.77%	19.61%	53.02%	
Total account amount	\$ 728,946	\$ 120,504	\$ 25,731	\$ 14,083	\$ 45,811	\$ 935,075
Loss allowances (lifetime expected credit losses)	-	(3,834)	(4,573)	(2,761)	(24,290)	(35,458)
Amortized cost	<u>\$ 728,946</u>	<u>\$ 116,670</u>	<u>\$ 21,158</u>	<u>\$ 11,322</u>	<u>\$ 21,521</u>	<u>\$ 899,617</u>

The changes in the allowance for doubtful accounts receivable are as follows:

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Beginning balance	\$ 26,137	\$ 54,291
Add: Impairment Loss Recognized for the Period	44,616	-
Less: Impairment Loss Reversed for the Period	-	(19,489)
Foreign currency translation differences	<u>577</u>	<u>656</u>
Ending balance	<u>\$ 71,330</u>	<u>\$ 35,458</u>

11. Inventories

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Finished goods	\$ 521,437	\$ 480,661	\$ 460,146
Semi-finished product	3,045	2,677	3,087
Work in process	201,061	241,338	269,451
Supplies	<u>349,083</u>	<u>265,711</u>	<u>349,567</u>
	<u>\$ 1,074,626</u>	<u>\$ 990,387</u>	<u>\$ 1,082,251</u>

The nature of cost of goods sold is as follows:

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023 (Revised)</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023 (Revised)</u>
Cost of inventory sold	\$ 665,888	\$ 586,333	\$ 2,050,083	\$ 1,846,308
Loss for market price decline and obsolete	<u>13,501</u>	<u>16,578</u>	<u>31,990</u>	<u>33,740</u>
	<u>\$ 679,389</u>	<u>\$ 602,911</u>	<u>\$ 2,082,073</u>	<u>\$ 1,880,048</u>

12. Non-Current Assets or Disposal Groups Classified as Held for Sale

(1) Discontinued Operations

The board of directors of the merged company passed a plan on March 14, 2024 to sell all equity interests in its subsidiary, Xiamen YoungTek Electronics Ltd. Since the sale proceeds exceeded the carrying amount of the related net assets, no impairment loss was required to be recognized when these units were classified as held for sale. This disposal plan is expected to be completed in Q4 2024, at which time control of Xiamen YoungTek Electronics Ltd. will be transferred to the acquirer.

Details of profit and loss and cash flow information from discontinued operations are as follows:

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Operating revenue	\$ 3,326	\$ -	\$ 3,326	\$ 154
Operating costs	(5,512)	(1,468)	(6,012)	(4,832)
Gross Operating Loss	(2,186)	(1,468)	(2,686)	(4,678)
Selling expenses	(84)	-	(115)	(2)
Administrative expenses	(6,336)	(8,939)	(23,581)	(24,132)
Net other revenue and cost	<u>4,795</u>	<u>4,855</u>	<u>13,183</u>	<u>11,716</u>
Net operating losses	(3,811)	(5,552)	(13,199)	(17,096)
Interest revenue	2	9	19	265
Other revenue	-	-	58	143
Other gains and losses	-	-	(7)	(3,697)
Financial costs	(1,407)	(1,536)	(4,878)	(6,609)
Net loss before tax	(5,216)	(7,079)	(18,007)	(26,994)
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss from discontinued operations	<u>(\$ 5,216)</u>	<u>(\$ 7,079)</u>	<u>(\$ 18,007)</u>	<u>(\$ 26,994)</u>
Loss from Discontinued Operations Attributable to:				
Owner of this company	(\$ 5,216)	(\$ 7,079)	(\$ 18,007)	(\$ 26,994)
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(\$ 5,216)</u>	<u>(\$ 7,079)</u>	<u>(\$ 18,007)</u>	<u>(\$ 26,994)</u>
Cash Flow				
Operating activities			(\$ 3,991)	(\$ 19,318)
Investing activities			(641)	-
Financing activities			-	(6,576)
Effects of Changes in Foreign Exchange Rates			<u>(1,610)</u>	<u>(627)</u>
Net cash outflow			<u>(\$ 6,242)</u>	<u>(\$ 26,521)</u>

Details of Other Profit and Loss Supplementary Information from Discontinued Operations are as follows:

1. Depreciation and Amortization

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Property, plant and equipment	\$ -	\$ 2,051	\$ 2,055	\$ 6,257
Right-of-use asset	-	151	151	453
Intangible assets	-	25	25	76
Total	<u>\$ -</u>	<u>\$ 2,227</u>	<u>\$ 2,231</u>	<u>\$ 6,786</u>
Depreciation expenses summarized by function				
Operating expenses	<u>\$ -</u>	<u>\$ 2,202</u>	<u>\$ 2,206</u>	<u>\$ 6,710</u>
Amortization expenses summarized by function				
Operating expenses	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 25</u>	<u>\$ 76</u>

2. Employee Benefits Expenses

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Other employee benefits	<u>\$ 1,806</u>	<u>\$ 1,406</u>	<u>\$ 4,687</u>	<u>\$ 4,208</u>
Total employee benefit expenses	<u>\$ 1,806</u>	<u>\$ 1,406</u>	<u>\$ 4,687</u>	<u>\$ 4,208</u>
Summarized by function				
Operating expenses	<u>\$ 1,806</u>	<u>\$ 1,406</u>	<u>\$ 4,687</u>	<u>\$ 4,208</u>

There was no income tax loss or benefit arising from the loss of discontinued operations.

3. Disposal Groups Held for Sale

	September 30, 2024
Related Assets of Subsidiaries	<u>\$ 119,035</u>
Liabilities Directly Associated with Disposal Groups Held for Sale	<u>\$ 151,256</u>

The Board of Directors of the merged company passed a plan to sell all equity interests in its subsidiary, Xiamen YoungTek Electronics Ltd., on March 14, 2024, and expects to complete the disposal procedure in Q4 2024. Therefore, it was classified as a disposal group held for sale, and its assets and liabilities were reclassified as a disposal group held for sale and presented separately in the consolidated balance sheet. The major categories of assets and liabilities of the disposal group held for sale are as follows:

	September 30, 2024
Cash and cash equivalents	\$ 3,932
Inventories	163
Other receivables	5,346
Other current assets	1,315
Net amount of property, plant and equipment	87,911
Right-of-use asset	20,225
Intangible assets	<u>143</u>
Total disposal groups held for sale	<u>\$ 119,035</u>
Accounts payable	\$ 640
Other payables	2,603
Other current liabilities	317
Current portion of long-term loans payable	<u>147,696</u>
Liabilities directly associated with disposal groups held for sale	<u>\$ 151,256</u>

13. Subsidiary

(1) Subsidiaries Included in the Consolidated Financial Statements

This consolidated financial report is prepared for the following entities:

Company Name of Investment	Subsidiary Name	Business Nature	Percentage of Shares Held %			Instructions
			September 30, 2024	December 31, 2023	September 30, 2023	
YTEC	YTEC Holding (Samoa) Co., Ltd. (YTEC Samoa)	Investment holdings	100.00	100.00	100.00	—
	Jiuhongxin Technology Co., Ltd. (Jiuhongxin)	Research and development of chemical raw materials	-	-	100.00	Note 1 and 3
	Shinshou Automation Co., Ltd. (Shinshou)	Precision Instrument Wholesale Industry	-	-	100.00	Note 1 and 3
	Wecon Limited (Samoa)	Investment holdings	100.00	100.00	100.00	Note 1
	Wecon Automation Machinery Corp. (Wecon Automation)	Automated mechanical trading	100.00	100.00	100.00	Note 1
	YOUNGTEK ELECTRONICS CORPORATION USA, INC (YTEC USA)	Semiconductor equipment sales and OEM/ODM services	100.00	-	-	Note 1 and 6
YTEC Samoa Company	YTEC (Hong Kong) Global Limited (YTEC HK Company)	Investment holdings	100.00	100.00	100.00	—
	Clear Reach Limited	Investment holdings	100.00	100.00	100.00	Note 1
	Suzhou YoungTek Microelectronics Ltd. (Suzhou YoungTek)	Engaging in “integrated circuit design; chip testing, packaging, and processing; technology development, technical services, and technical consulting in the semiconductor and integrated circuit fields; computer software design and development; sales of semiconductors, electronic products, electro-mechanical equipment, and electronic components; machinery equipment maintenance, leasing, and sales; and import and export of various goods and technologies.”	100.00	100.00	100.00	Note 1
YTEC HK	Xiamen YoungTek Electronics Ltd. (Xiamen YoungTek)	Research, development, production and processing of high brightness light emitting diodes and LED chips inspection equipment, as well as providing related technical consultation and services	100.00	100.00	100.00	Note 5

Company Name of Investment	Subsidiary Name	Business Nature	Percentage of Shares Held %			Instructions
			September 30, 2024	December 31, 2023	September 30, 2023	
YTEC HK	Yangzhou YoungTek Electronics Ltd. (Yangzhou YoungTek)	Research, development, production, and processing of frequency control and selection components (wireless RF tags) and related equipment, and provision of related technical consulting and services	45.00	45.00	45.00	Note 1 and 2
Clear Reach Limited	YoungTek Micro Electronics (Shenzhen) Ltd. (Shenzhen YoungTek)	Wafer and integrated circuit testing outsourcing, and providing related technical consulting and services	89.04	89.04	89.04	Note 1
Wecon Limited (Samoa)	YoungTek Micro Electronics (Shenzhen) Ltd. (Shenzhen YoungTek)	Wafer and integrated circuit testing outsourcing, and providing related technical consulting and services	10.96	10.96	10.96	Note 1
Suzhou YoungTek	Anhui Utest Electronics Ltd. (Anhui Utest)	Manufacturing and sales of specialized equipment for semiconductor devices; manufacturing and sales of industrial automation control computer hardware, software and auxiliary equipment; design and sales of integrated circuit chips and products; software development and sales; sales of semiconductors, electronic products, electronic components, and specialized electronic equipment; machinery equipment maintenance and leasing; technical services, development, consulting, and promotion.	100.00	100.00	100.00	Note 1 and 4

Note 1: In the table above, except for YTEC Samoa, YTEC HK and Xiamen YTEC, which were reviewed by accountants, the financial statements of other non-significant subsidiaries were not reviewed by accountants.

Note 2: The company's shareholding ratio is 45%, but the company's management evaluates that it still has control over Yangzhou YoungTek after considering the absolute majority of voting rights held by other shareholders.

Note 3: Based on operational planning, the Company's board of directors resolved on March 15, 2023 to liquidate Jihongxin and Shinshou. And completed liquidation on October 11, 2023 and October 29, 2023 respectively.

Note 4: Suzhou YoungTek invested CNY 1,000 thousand in Anhui Utest Electronics Ltd. on March 15, 2023, with a 100% shareholding ratio as of September 30, 2024.

Note 5: Based on operational planning, the company resolved at the board meeting on March 14, 2024 to dispose of Xiamen YoungTek.

Note 6: Our company invested USD 500 thousand in YOUNGTEK ELECTRONICS CORPORATION USA, INC on April 18, 2024. As of September 30, 2024, the shareholding ratio is 100%.

(2) Information on Subsidiaries with Significant Non-controlling Interests

Subsidiary Name	Percentage of Equity and Voting Rights Held by Non-controlling Interests		
	September 30, 2024	December 31, 2023	September 30, 2023
Yangzhou YoungTek	55.00%	55.00%	55.00%

For information on the principal places of business and countries of incorporation, please refer to Table 8.

Subsidiary Name	Profit or Loss Attributable to Non-controlling Interests				Non-controlling Interests		
	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023	September 30, 2024	December 31, 2023	September 30, 2023
Yangzhou YoungTek	<u>(\$ 7,329)</u>	<u>(\$ 10,684)</u>	<u>(\$ 26,899)</u>	<u>\$ 6,693</u>	<u>\$198,462</u>	<u>\$216,375</u>	<u>\$233,167</u>

The following is a summary of financial information for subsidiaries with significant non-controlling interests, prepared before the elimination of intercompany transactions:

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 263,095	\$ 277,478	\$ 305,541
Non-current assets	132,481	148,173	153,877
Current liabilities	(31,485)	(27,177)	(29,565)
Non-current liabilities	(3,250)	(5,065)	(5,913)
Equity	<u>\$ 360,841</u>	<u>\$ 393,409</u>	<u>\$ 423,940</u>
Ownership belongs to:			
Owner of this company	\$ 162,379	\$ 177,034	\$ 190,773
Non-controlling interests of subsidiaries	<u>198,462</u>	<u>216,375</u>	<u>233,167</u>
	<u>\$ 360,841</u>	<u>\$ 393,409</u>	<u>\$ 423,940</u>

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Operating Revenue	\$ 36,466	\$ 20,890	\$ 99,566	\$ 275,815
Current year net profit (loss)	(\$ 13,324)	(\$ 19,425)	(\$ 48,906)	\$ 12,169
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income	(\$ <u>13,324</u>)	(\$ <u>19,425</u>)	(\$ <u>48,906</u>)	\$ <u>12,169</u>
Net (loss) profit attributable to:				
Owner of this company	(\$ 5,995)	(\$ 8,741)	(\$ 22,007)	\$ 5,476
Non-controlling interests of subsidiaries	(<u>7,329</u>)	(<u>10,684</u>)	(<u>26,899</u>)	<u>6,693</u>
	(\$ <u>13,324</u>)	(\$ <u>19,425</u>)	(\$ <u>48,906</u>)	\$ <u>12,169</u>
Total comprehensive income attributable to:				
Owner of this company	(\$ 5,995)	(\$ 8,741)	(\$ 22,007)	\$ 5,476
Non-controlling interests of subsidiaries	(<u>7,329</u>)	(<u>10,684</u>)	(<u>26,899</u>)	<u>6,693</u>
	(\$ <u>13,324</u>)	(\$ <u>19,425</u>)	(\$ <u>48,906</u>)	\$ <u>12,169</u>
Cash Flow				
Operating activities			(\$ 21,064)	(\$ 36,686)
Investing activities			(329)	5,258
Financing activities			(1,860)	(1,860)
Effects of Changes in Foreign Exchange Rates			<u>15,501</u>	<u>8,004</u>
Net cash outflow			(\$ <u>7,752</u>)	(\$ <u>25,284</u>)

14. Investments Accounted for Using Equity Method

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Investments in Associates	\$ <u>161,938</u>	\$ <u>163,558</u>	\$ <u>173,106</u>
<u>Individually Insignificant Associated Companies</u>			
Tian Zheng International Precision Machinery Co., Ltd. (Tian Zheng)	\$ 137,224	\$ 135,992	\$ 145,628
Sissca Co., Ltd (Sissca)	<u>24,714</u>	<u>27,566</u>	<u>27,478</u>
	<u>\$ 161,938</u>	<u>\$ 163,558</u>	<u>\$ 173,106</u>

On the balance sheet date, the Group's ownership interest and voting rights percentage in the Associate are as follows:

<u>Company Name</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Tian Zheng	14.60%	14.60%	16.22%
Sissca	15.52%	15.52%	15.52%

The Group hold less than 20% of the voting rights of Tian Zheng and Sissca. After considering that the management has one seat on the board of directors, it has significant influence, so the equity method is still adopted for evaluation.

The investments accounted for using equity method and the Group's share of their profit or loss and other comprehensive income were calculated based on the unreviewed financial statements.

15. Property, Plant and Equipment

	September 30, 2024	December 31, 2023	September 30, 2023
For personal use	\$ 1,969,346	\$ 2,165,441	\$ 2,212,220
Operating lease	<u>56,878</u>	<u>59,094</u>	<u>59,833</u>
	<u>\$ 2,026,224</u>	<u>\$ 2,224,535</u>	<u>\$ 2,272,053</u>

(1) Use

	Own Land	Buildings	Machinery and Equipment	Testing Equipment	Transportation Equipment	Office Equipment	Leasehold Improvements	Other Devices	Equipment Awaiting Inspection and Ongoing Projects	Total
<u>Cost</u>										
Balance on January 1, 2024	\$ 42,101	\$1,193,240	\$8,033,836	\$ 54,773	\$ 12,660	\$ 61,247	\$ 22,743	\$203,202	\$123,214	\$9,747,016
Addition	-	10,349	57,205	5,703	1,790	879	1,096	17,400	17,308	111,730
Disposal	-	(119)	(61,379)	(20,055)	-	-	(5,334)	(19)	-	(86,906)
Reclassification	-	594	138,316	112	-	-	-	525	(70,605)	68,942
Reclassified to disposal groups held for sale	-	(165,586)	(1,070,630)	-	(31)	(41,941)	-	-	(7,710)	(1,285,898)
Net exchange differences	<u>-</u>	<u>6,654</u>	<u>70,105</u>	<u>-</u>	<u>101</u>	<u>2,120</u>	<u>(2)</u>	<u>768</u>	<u>310</u>	<u>80,056</u>
Balance on September 30, 2024	<u>\$ 42,101</u>	<u>\$1,045,132</u>	<u>\$7,167,453</u>	<u>\$ 40,533</u>	<u>\$ 14,520</u>	<u>\$ 22,305</u>	<u>\$ 18,503</u>	<u>\$221,876</u>	<u>\$ 62,517</u>	<u>\$8,634,940</u>
<u>Accumulated Depreciation</u>										
Balance on January 1, 2024	\$ -	\$807,988	\$6,190,380	\$ 52,107	\$ 10,191	\$ 59,607	\$ 7,930	\$140,718	\$ -	\$7,268,921
Addition	-	39,710	270,529	1,609	951	855	2,084	12,554	-	328,292
Disposal	-	(118)	(59,323)	(20,055)	-	-	(5,015)	(18)	-	(84,529)
Reclassification	-	-	(32,584)	-	-	-	-	-	-	(32,584)
Reclassified to disposal groups held for sale	-	(86,054)	(829,298)	-	(31)	(41,832)	-	-	-	(957,215)
Net exchange differences	<u>-</u>	<u>3,390</u>	<u>51,463</u>	<u>-</u>	<u>114</u>	<u>2,069</u>	<u>-</u>	<u>1,045</u>	<u>-</u>	<u>58,081</u>
Balance on September 30, 2024	<u>\$ -</u>	<u>\$764,916</u>	<u>\$5,591,167</u>	<u>\$ 33,661</u>	<u>\$ 11,225</u>	<u>\$ 20,699</u>	<u>\$ 4,999</u>	<u>\$154,299</u>	<u>\$ -</u>	<u>\$6,580,966</u>
<u>Accumulated Impairment</u>										
Balance on January 1, 2024	\$ -	\$ -	\$312,654	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$312,654
Increase	-	-	4,424	-	-	-	-	-	-	4,424
Disposal	-	-	(2,116)	-	-	-	-	-	-	(2,116)
Reclassified to disposal groups held for sale	-	-	(240,772)	-	-	-	-	-	-	(240,772)
Net exchange differences	<u>-</u>	<u>-</u>	<u>10,438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,438</u>
Balance on September 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,628</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,628</u>
Net amount on September 30, 2024	<u>\$ 42,101</u>	<u>\$280,216</u>	<u>\$1,491,658</u>	<u>\$ 6,872</u>	<u>\$ 3,295</u>	<u>\$ 1,606</u>	<u>\$ 13,504</u>	<u>\$ 67,577</u>	<u>\$ 62,517</u>	<u>\$1,969,346</u>

	Own Land	Buildings	Machinery and Equipment	Testing Equipment	Transportation Equipment	Office Equipment	Leasehold Improvements	Other Devices	Equipment Awaiting Inspection and Ongoing Projects	Total
<u>Cost</u>										
Balance on January 1, 2023	\$ 28,893	\$1,146,167	\$8,127,343	\$ 55,685	\$ 14,107	\$ 61,746	\$ 7,104	\$174,804	\$108,267	\$9,724,116
Addition	-	11,886	115,081	-	-	268	15,640	17,660	34,081	194,616
Disposal	-	(3,120)	(286,972)	-	(100)	-	-	(472)	-	(290,664)
Net exchange differences	-	3,123	32,622	-	65	1,076	-	294	38	37,218
Reclassification	<u>13,208</u>	<u>41,546</u>	<u>38,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(985)</u>	<u>(26,702)</u>	<u>66,015</u>
Balance on September 30, 2023	<u>\$ 42,101</u>	<u>\$1,199,602</u>	<u>\$8,027,022</u>	<u>\$ 55,685</u>	<u>\$ 14,072</u>	<u>\$ 63,090</u>	<u>\$ 22,744</u>	<u>\$191,301</u>	<u>\$115,684</u>	<u>\$9,731,301</u>
<u>Accumulated Depreciation</u>										
Balance on January 1, 2023	\$ -	\$738,106	\$6,044,580	\$ 51,245	\$ 9,982	\$ 58,839	\$ 4,411	\$128,733	\$ -	\$7,035,896
Addition	-	41,890	342,777	2,005	1,162	868	2,743	9,397	-	400,842
Disposal	-	(3,120)	(285,442)	-	(86)	-	-	(7)	-	(288,655)
Net exchange differences	-	3,580	30,220	-	145	1,073	-	754	-	35,772
Reclassification	<u>-</u>	<u>19,245</u>	<u>(4,857)</u>	<u>-</u>	<u>-</u>	<u>548</u>	<u>-</u>	<u>(1,533)</u>	<u>-</u>	<u>13,403</u>
Balance on September 30, 2023	<u>\$ -</u>	<u>\$799,701</u>	<u>\$6,127,278</u>	<u>\$ 53,250</u>	<u>\$ 11,203</u>	<u>\$ 61,328</u>	<u>\$ 7,154</u>	<u>\$137,344</u>	<u>\$ -</u>	<u>\$7,197,258</u>
<u>Accumulated Impairment</u>										
Balance on January 1, 2023	\$ -	\$ -	\$317,461	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$317,461
Disposal	-	-	(540)	-	-	-	-	-	-	(540)
Net exchange differences	<u>-</u>	<u>-</u>	<u>4,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,902</u>
Balance on September 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$321,823</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$321,823</u>
Net amount on September 30, 2023	<u>\$ 42,101</u>	<u>\$399,901</u>	<u>\$1,577,921</u>	<u>\$ 2,435</u>	<u>\$ 2,869</u>	<u>\$ 1,762</u>	<u>\$ 15,590</u>	<u>\$ 53,957</u>	<u>\$115,684</u>	<u>\$2,212,220</u>

The self-used real estate, plant and equipment of the Group are depreciated on a straight-line basis over the following useful lives:

Buildings

Main factory building	5 to 41 years
Engineering System	8 to 41 years
Machinery and equipment	2 to 10 years
Testing equipment	3 to 6 years
Transportation equipment	2 to 6 years
Office equipment	3 to 10 years
Lease assets	3 to 11 years
Other devices	3 to 8 years

Based on operational planning to downsize and eliminate the MINI LED department, the Group assessed that the machinery and equipment used in that department were idle. Therefore, impairment losses of NT\$4,424 thousand and NT\$4,424 thousand were recognized for the periods from July 1 to September 30, 2024, and January 1 to September 30, 2024, respectively. The impairment loss was included in other gains and losses in the consolidated statement of comprehensive income.

The Group prepaid a total of NT\$182,360 thousand for buildings in May and July 2024, which was transferred to buildings and structures after acceptance inspection in October 2024.

For information on self-used real estate, factories and equipment pledged as collateral for borrowings, please refer to Note 33.

(2) Operating Lease

	<u>Buildings</u>
<u>Cost</u>	
Balance on January 1 and September 30, 20424	<u>\$ 106,362</u>
<u>Accumulated Depreciation</u>	
Balance on January 1, 2024	\$ 47,268
Depreciation expense	<u>2,216</u>
Balance on September 30, 2024	<u>\$ 49,484</u>
Net amount on September 30, 2024	<u>\$ 56,878</u>
<u>Cost</u>	
Balance on January 1 and September 30, 2023	<u>\$ 106,362</u>
<u>Accumulated Depreciation</u>	
Balance on January 1, 2023	\$ 44,313
Depreciation expense	<u>2,216</u>
Balance on September 30, 2023	<u>\$ 46,529</u>
Net amount on September 30, 2023	<u>\$ 59,833</u>

The consolidated company leases out houses and buildings under operating leases with a lease term of 5 years. All operating lease contracts contain a clause for adjusting the rent in accordance with market rental rates when the lessee exercises the renewal option. The lessee does not have a preferential purchase right over the assets at the end of the lease term.

As of September 30, 2024 and 2023, and December 31 2023, the Group received security deposits of NT\$6,830 thousand for operating lease agreements.

The total amounts of future lease payments to be received for operating leases of the company's own properties, plants and equipment are as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
The 1st year	\$ 30,006	\$ 29,838	\$ 29,837
The 2nd year	30,091	30,070	30,006
The 3rd year	30,091	30,091	30,091
The 4th year	10,031	30,091	30,091
The 5th year	<u>-</u>	<u>2,508</u>	<u>10,031</u>
	<u>\$ 100,219</u>	<u>\$ 122,598</u>	<u>\$ 130,056</u>

The consolidated company depreciates leased real estate, plants and equipment under operating leases on a straight-line basis over the following useful lives:

Buildings

Main factory building 35 years

The amount of business leasing real estate, plant and equipment of the Group is not pledged as collateral for borrowing.

16. Lease Agreement

(1) Right-Of-Use Asset

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Carrying amount of right-of-use assets			
Land	\$ 184,941	\$ 173,253	\$ 176,837
Building	<u>36,813</u>	<u>26,973</u>	<u>31,327</u>
	<u>\$ 221,754</u>	<u>\$ 200,226</u>	<u>\$ 208,164</u>
	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>
Addition of right-of-use assets			<u>\$ 59,741</u>
Depreciation expense of right-of-use assets			<u>\$ 62,476</u>
Land	\$ 2,787	\$ 2,862	\$ 8,188
Building	<u>3,461</u>	<u>4,010</u>	<u>10,939</u>
	<u>\$ 6,248</u>	<u>\$ 6,872</u>	<u>\$ 19,127</u>
			<u>\$ 20,536</u>

Except for the additions and depreciation expense recognized as listed above, there was no material sublease and impairment on the Group's right-of-use assets during the periods from January 1 to September 30, 2024 and 2023.

(2) Lease Liabilities

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Lease liabilities carrying amount			
Current	<u>\$ 14,988</u>	<u>\$ 20,818</u>	<u>\$ 22,311</u>
Non-current	<u>\$ 203,317</u>	<u>\$ 154,853</u>	<u>\$ 159,958</u>

The range of discount rates for lease liabilities is as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Land	2.40%~3.15%	3.15%	3.15%
Building	2.40%~3.15%	2.40%~3.15%	2.40%~3.15%

(3) Important Leasing Activities and Terms

The Group leases certain machinery and equipment for product manufacturing and research and development purposes for a period of 5 years. At the end of the lease term, the Group may choose to purchase the equipment at its nominal value at that time, with no renewal or purchase option.

The Group also lease certain land and buildings as factories and offices for a period of 2 to 20 years. At the end of the lease term, the Group have no preferential rights to purchase the leased land and buildings.

As of September 30, 2024 and 2023, and December 31, 2023, deposits paid by the Group for operating leases amounted to NT\$1,444 thousand, NT\$1,474 thousand and NT\$1,474 thousand, respectively.

(4) Other Leasing Information

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Short-term lease expenses	<u>\$ 7,598</u>	<u>\$ 3,335</u>	<u>\$ 18,940</u>	<u>\$ 9,957</u>
Total cash outflow for leases			<u>(\$ 40,610)</u>	<u>(\$ 32,442)</u>

17. Investment Property

January 1 to September 30, 2024					
Finished Investment Properties	Beginning Balance	This Year's Increase	This Year's Decrease	Reclassification	Ending Balance
<u>Cost</u>					
Buildings	\$ 6,356	\$ -	\$ -	\$ -	\$ 6,356
<u>Accumulated Depreciation</u>					
Buildings	4,669	97	-	-	4,766
Net amount	\$ 1,687				\$ 1,590

January 1 to September 30, 2023					
Finished Investment Properties	Beginning Balance	This Year's Increase	This Year's Decrease	Reclassification	Ending Balance
<u>Cost</u>					
Land	\$ 13,208	\$ -	\$ -	(\$ 13,208)	\$ -
Buildings	33,633	-	(2,465)	(24,813)	6,355
Total	46,841	\$ -	(\$ 2,465)	(\$ 38,021)	6,355
<u>Accumulated Depreciation</u>					
Buildings	24,870	491	(\$ 2,465)	(\$ 18,260)	4,636
Net amount	\$ 21,971				\$ 1,719

The lease term for investment properties is 3 to 5 years. At the end of the lease term, the lessee does not have the preferential right to purchase the investment property.

As of September 30, 2024 and 2023, and December 31, 2023, the Group received security deposits of NT\$154 thousand from operating lease contracts for investment properties.

The total amount of future lease payments to be received for investment properties under operating leases is as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
The 1st year	\$ -	\$ 180	\$ 135
The 2nd year	-	-	180
	\$ -	\$ 180	\$ 315

Depreciation expense is recognized on a straight-line basis over the following useful lives:

Main Building	33 to 40 years
Engineering System	5 to 10 years

The fair value of investment properties is estimated by the Company's management based on the recent announced sales prices in the surrounding areas of the investment properties. After assessment, there is no indication of impairment, and the fair value obtained from the evaluation is as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Fair value	<u>\$ 6,260</u>	<u>\$ 6,260</u>	<u>\$ 6,260</u>

All investment properties of the Group are owned by equity.

18. Intangible Assets

	January 1 to September 30, 2024				
	<u>Computer Software Cost</u>	<u>Goodwill</u>	<u>Patents</u>	<u>Others</u>	<u>Total</u>
<u>Cost</u>					
Balance on January 1, 2024	\$ 44,719	\$ 2,583	\$ 68,157	\$ 16,446	\$ 131,905
Retrieved individually	17,682	-	-	646	18,328
Reclassified to disposal groups held for sale	(1,135)	-	-	-	(1,135)
Net exchange differences	<u>119</u>	<u>-</u>	<u>-</u>	<u>(141)</u>	<u>(22)</u>
Balance on September 30, 2024	<u>\$ 61,385</u>	<u>\$ 2,583</u>	<u>\$ 68,157</u>	<u>\$ 16,951</u>	<u>\$ 149,076</u>
<u>Accumulated Amortization</u>					
Balance on January 1, 2024	\$ 29,955	\$ -	\$ 55,994	\$ 15,743	\$ 101,692
Amortization expense	5,857	-	4,518	854	11,229
Reclassified to disposal groups held for sale	(992)	-	-	-	(992)
Net exchange differences	<u>113</u>	<u>-</u>	<u>-</u>	<u>116</u>	<u>229</u>
Balance on September 30, 2024	<u>\$ 34,933</u>	<u>\$ -</u>	<u>\$ 60,512</u>	<u>\$ 16,713</u>	<u>\$ 112,158</u>
Net amount on September 30, 2024	<u>\$ 26,452</u>	<u>\$ 2,583</u>	<u>\$ 7,645</u>	<u>\$ 238</u>	<u>\$ 36,918</u>
	January 1 to September 30, 2023				
	<u>Computer Software Cost</u>	<u>Goodwill</u>	<u>Patents</u>	<u>Others</u>	<u>Total</u>
<u>Cost</u>					
Balance on January 1, 2023	\$ 34,052	\$ 2,583	\$ 68,157	\$ 16,494	\$ 121,286
Retrieved individually	2,148	-	-	-	2,148
Net exchange differences	55	-	-	56	111
Reclassification	<u>1,658</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,658</u>
Balance on September 30, 2023	<u>\$ 37,913</u>	<u>\$ 2,583</u>	<u>\$ 68,157</u>	<u>\$ 16,550</u>	<u>\$ 125,203</u>
<u>Accumulated Amortization</u>					
Balance on January 1, 2023	\$ 25,988	\$ -	\$ 49,949	\$ 14,507	\$ 90,444
Amortization expense	2,649	-	4,536	968	8,153
Net exchange differences	<u>135</u>	<u>-</u>	<u>-</u>	<u>56</u>	<u>191</u>
Balance on September 30, 2023	<u>\$ 28,772</u>	<u>\$ -</u>	<u>\$ 54,485</u>	<u>\$ 15,531</u>	<u>\$ 98,788</u>
Net amount on September 30, 2023	<u>\$ 9,141</u>	<u>\$ 2,583</u>	<u>\$ 13,672</u>	<u>\$ 1,019</u>	<u>\$ 26,415</u>

Apart from goodwill, amortization expense is recognized on a straight-line basis over the following useful lives:

Computer software cost	2 to 5 years
Patents	10 to 11 years
Others	2 to 10 years

Summarized by function, amortization expenses:

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Operating costs	\$ 859	\$ 465	\$ 2,311	\$ 1,317
Administrative expenses	418	273	1,288	1,001
Research and development costs	2,808	1,907	7,605	5,759
Discontinued operations	<u>-</u>	<u>25</u>	<u>25</u>	<u>76</u>
	<u>\$ 4,085</u>	<u>\$ 2,670</u>	<u>\$ 11,229</u>	<u>\$ 8,153</u>

19. Other Assets

	September 30, 2024	December 31, 2023	September 30, 2023
Prepayments	\$ 172,860	\$ 163,881	\$ 155,717
Office supplies	42,711	43,990	42,310
Overpaid sales tax	6,821	16,117	29,364
Guarantee deposits paid (Note 26)	5,087	2,076	2,076
Guarantee deposits paid to related parties (Note 32)	1,000	1,030	1,030
Others (Note)	<u>5,964</u>	<u>2,403</u>	<u>3,425</u>
	<u>\$ 234,443</u>	<u>\$ 229,497</u>	<u>\$ 233,922</u>
Current	\$ 228,356	\$ 226,391	\$ 230,816
Non-current	<u>6,087</u>	<u>3,106</u>	<u>3,106</u>
	<u>\$ 234,443</u>	<u>\$ 229,497</u>	<u>\$ 233,922</u>

Note: It mainly refers to temporary payment and payment on behalf of others, etc.

20. Borrowing

(1) Long-Term Borrowings

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Unsecured Loan (Note 33)</u>			
Bank loan	\$ -	\$ 141,761	\$ 146,973
Less: Listed as part due within one year	<u>-</u>	<u>-</u>	<u>-</u>
Long-term borrowings	<u>\$ -</u>	<u>\$ 141,761</u>	<u>\$ 146,973</u>

The loan interest rate is calculated using a floating interest rate based on the LIBOR interest rate, and the interest rate is reset every 3 months. The loan maturity dates are May 28, 2025 and June 11, 2023. As of December 31 and September 30, 2023, the effective interest rates were 4.12% and 4.49% respectively. This represents the borrowings of Xiamen YTEC. The balance as of September 30, 2024 has been reclassified to liabilities directly associated with disposal groups held for sale (Note 12).

21. Notes and Accounts Payable

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Accounts Payable</u>			
Arising from business operations	<u>\$ 467,303</u>	<u>\$ 326,257</u>	<u>\$ 246,030</u>

The Group has established financial risk management policies to ensure that all payables are repaid within the pre-agreed credit terms.

22. Other Liabilities

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Current</u>			
Other payables			
Payroll and bonuses	\$ 138,708	\$ 111,173	\$ 124,549
Employee compensation payable (Note 27)	102,245	164,595	141,821
Payable on machinery and equipment	65,596	64,801	47,392
Compensation due to directors and supervisors (Note 27)	3,723	5,320	10,533
Accounts payable to related parties (Note 32)	-	-	2,433
Others (Note)	<u>49,748</u>	<u>47,860</u>	<u>35,201</u>
	<u>\$ 360,020</u>	<u>\$ 393,749</u>	<u>\$ 361,929</u>
Other liabilities			
Others (Temporary Receipts and Collections on Behalf)	<u>\$ 7,002</u>	<u>\$ 11,016</u>	<u>\$ 10,710</u>

Note: Mainly for paying electricity bills, insurance premiums, and other payable fees.

23. Provisions for Liabilities

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Current</u>			
Employee benefits (1)	\$ 5,850	\$ 4,902	\$ 5,194
Warranty (2)	<u>1,152</u>	<u>1,072</u>	<u>19,104</u>
	<u>\$ 7,002</u>	<u>\$ 5,974</u>	<u>\$ 24,298</u>

January 1 to September 30, 2024

	<u>Employee Benefits</u>	<u>Warranty</u>	<u>Total</u>
Balance on January 1, 2024	\$ 4,902	\$ 1,072	\$ 5,974
Added this period	5,850	897	6,747
Current period turnover/usage	(<u>4,902</u>)	(<u>817</u>)	(<u>5,719</u>)
Balance on September 30, 2024	<u>\$ 5,850</u>	<u>\$ 1,152</u>	<u>\$ 7,002</u>

January 1 to September 30, 2023

	<u>Employee Benefits</u>	<u>Warranty</u>	<u>Total</u>
Balance on January 1, 2023	\$ 5,824	\$ 19,575	\$ 25,399
Added this period	5,194	14,463	19,657
Current period turnover/usage	(<u>5,824</u>)	(<u>14,934</u>)	(<u>20,758</u>)
Balance on September 30, 2023	<u>\$ 5,194</u>	<u>\$ 19,104</u>	<u>\$ 24,298</u>

- (1) The provision for employee benefit liabilities is an estimate of the vested long-term service leave entitlements of employees.
- (2) The warranty liability provision is based on the sales product contract agreement, and is the present value of the Group management's best estimate of the future outflow of economic benefits resulting from warranty obligations. The estimate is based on historical warranty experience, adjusted for factors such as new materials, process changes, or other factors affecting product quality.

24. Post-Employment Benefit Plans

Pension costs recognized in relation to the defined benefit plans for the periods from July 1 to September 30, 2024 and 2023, and January 1 to September 30, 2024 and 2023 were calculated using the pension cost rates as determined by the actuarial valuations on December 31, 2023 and 2022, respectively. The amounts were NT\$(88) thousand, NT\$(54) thousand, NT\$(265) thousand, and NT\$(164) thousand, respectively.

25. Equity

(1) Share Capital

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Authorized Capital (Thousand Shares)	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Authorized capital	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>
Number of shares issued and fully paid (thousand shares)	<u>128,498</u>	<u>128,498</u>	<u>128,498</u>
Issued capital	<u>\$ 1,284,980</u>	<u>\$ 1,284,980</u>	<u>\$ 1,284,980</u>

There was no significant change in the share capital of the Company. The issued ordinary shares have a par value of NT\$10 each and carry one voting right per share and the right to receive dividends.

Of the authorized capital, 5,000 thousand shares are reserved for employee stock option certificates.

(2) Capital Surplus

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Used to Make up for Losses, Distribute Cash or Allocate to Capital (Note 1)</u>			
Shares issued at premium	\$ 2,275,616	\$ 2,275,616	\$ 2,275,616
Overflow merge	89,710	89,710	89,710
Employee stock options	15,948	15,948	15,948
Convertible corporate bond subscription rights	2,176	2,176	2,176
Changes in equity of investment in associates accounted for using equity method	1,646	1,646	1,646
<u>Only for Compensating Losses (Note 2)</u>			
Changes in equity of investment in associates accounted for using equity method	45,580	45,935	48,558
Recognition of changes in the ownership interests of subsidiaries	8,514	8,514	8,514
Donated assets	<u>214</u>	<u>179</u>	<u>179</u>
	<u>\$ 2,439,404</u>	<u>\$ 2,439,724</u>	<u>\$ 2,442,347</u>

Note 1: This type of capital reserve can be used to cover losses, or when the company has no losses, it can be used to distribute cash or be capitalized. However, when capitalized, it is limited to a certain percentage of the paid-in capital each year.

Note 2: This type of capital surplus is the amount recognized from changes in equity interests in subsidiaries when the Company did not actually acquire or dispose of the subsidiaries' equity interests, or the adjustment to capital surplus recognized by the Company using the equity method for its subsidiaries.

(3) Policy on Retained Earnings and Dividends

The Company resolved to amend the Articles of Incorporation at the shareholders' meeting held on June 13, 2023, stipulating that the Company's profit distribution or loss compensation may be made at the end of each semi-fiscal year. If there is a surplus in the Company's semi-fiscal year settlement, tax payments shall be made first, accumulated losses shall be covered, and then 10% of the statutory surplus reserve shall be provided; however, this is not the case when the legal reserve has reached the Company's paid-in capital. Special reserve shall be provided or reversed in accordance with laws and regulations or as required by the competent authority. If there is still a surplus, the board of directors shall, together with the accumulated undistributed surplus, formulate a surplus distribution proposal based on the Company's dividend policy. If the distribution is made by issuing new shares, it shall be subject to a resolution of the shareholders' meeting.

For the distribution of the aforementioned surplus, legal reserve, and capital surplus in cash, the board of directors is authorized to make the distribution with a resolution passed by two-thirds or more of the directors present at a meeting attended by a majority of all directors, and report to the shareholders' meeting.

According to the Company's surplus distribution policy before the revision of the Articles of Incorporation, if the Company has a surplus after the annual settlement, it shall pay taxes in accordance with the law, make up for accumulated losses, and then set aside 10% as a legal reserve. The remaining amount shall be set aside or reversed as a special reserve in accordance with laws and regulations. If there is still a balance, combined with the accumulated undistributed surplus, the board of directors shall propose a surplus distribution proposal and submit it to the shareholders' meeting for resolution to distribute dividends to shareholders.

The policy for distributing employee and director compensation stipulated in the Company's articles of incorporation is referenced in Note 27(8) Employee Compensation and Compensation for Directors and Supervisors.

The Company, taking into account future capital requirements and long-term financial planning, and meeting shareholders' demands for cash inflows, proposes a distribution plan in accordance with the law by the board of directors each year and submits it to the shareholders' meeting for resolution. Among them, the distribution of shareholder dividends may be made in cash or stock, but the proportion of cash dividend distribution shall not be less than 20% of the total dividend amount.

The legal reserve should be appropriated until its balance reaches the total paid-in capital of the company. When the company has no deficit, the portion of the legal reserve exceeding 25% of the total paid-in capital may be capitalized or distributed in cash.

The earnings appropriation for 2023 and 2022 of the Company is as follows:

	<u>2023</u>	<u>2022</u>
Legal reserve	<u>\$ 52,658</u>	<u>\$ 87,837</u>
Special reserve	<u>(\$ 14,910)</u>	<u>\$ 32,695</u>
Cash dividend	<u>\$ 513,992</u>	<u>\$ 642,490</u>
Cash dividend per share (NT\$)	\$ 4.0	\$ 5.0

The aforementioned cash dividend for the year 2023 was approved for distribution by the board of directors on March 14, 2024. The remaining profit distribution items for the year 2023 were approved at the Annual General Meeting of Shareholders held on June 19, 2024. The earnings appropriation for 2022 was resolved in the shareholders' meeting on June 13, 2023.

(4) Special Reserve

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Beginning balance	\$ 32,695	\$ -
Provision of special reserve		
Amount of other equity items appropriated	-	32,695
Reversal of special reserve		
Reversal of other equity deduction items	<u>(14,910)</u>	<u>-</u>
Ending balance	<u>\$ 17,785</u>	<u>\$ 32,695</u>

(5) Other Equity Interest Items

1. Exchange Differences on Translation of Foreign Financial Statements

	January 1 to September 30, 2024	January 1 to September 30, 2023
Beginning balance	(\$ 91,401)	(\$ 81,802)
Current period generation		
Translation differences of foreign operating entities	<u>22,022</u>	<u>8,541</u>
Other comprehensive income for the period	<u>22,022</u>	<u>8,541</u>
Ending balance	(\$ <u>69,379</u>)	(\$ <u>73,261</u>)

2. Unrealized Gains and Losses from Financial Assets Measured at Fair Value Through Other Comprehensive Income

	January 1 to September 30, 2024	January 1 to September 30, 2023
Beginning balance	\$ 73,616	\$ 49,107
Current period generation		
Unrealized gains or losses		
Equity instrument	(43,427)	56,759
Share of associates accounted for using equity method	<u>4,808</u>	<u>-</u>
Ending balance	<u>\$ 34,997</u>	<u>\$ 105,866</u>

(6) Non-controlling Interests

	January 1 to September 30, 2024	January 1 to September 30, 2023
Beginning balance	\$ 216,375	\$ 221,990
Profit (loss) for the period	(26,899)	6,693
Other comprehensive income for the period		
Exchange differences on translation of foreign financial statements	<u>8,986</u>	<u>4,484</u>
Ending balance	<u>\$ 198,462</u>	<u>\$ 233,167</u>

26. Revenue

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023 (Revised)</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023 (Revised)</u>
Revenue from contracts with customers				
Processing income	\$ 639,070	\$ 587,450	\$ 1,878,769	\$ 1,809,972
Sales revenue	216,349	132,151	945,694	416,902
Other revenue	<u>107,667</u>	<u>103,959</u>	<u>216,733</u>	<u>308,359</u>
	<u>\$ 963,086</u>	<u>\$ 823,560</u>	<u>\$ 3,041,196</u>	<u>\$ 2,535,233</u>

(1) Contract Balance

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>	<u>January 1, 2023</u>
Accounts receivable (Note 10)	<u>\$ 929,742</u>	<u>\$ 997,015</u>	<u>\$ 899,617</u>	<u>\$ 749,055</u>
Contract liability				
Current contract liability	\$ 78,533	\$ 171,960	\$ 156,606	\$ 71,031
Contract liability-Related parties (Note 32)	<u>1,140</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 79,673</u>	<u>\$ 171,960</u>	<u>\$ 156,606</u>	<u>\$ 71,031</u>

The changes in contract liabilities are mainly due to the difference between the timing of satisfying performance obligations and the timing of customer payments.

The amount from the contract liabilities at the beginning of the year and the performance obligations satisfied in prior periods that were recognized as revenue during the year is as follows:

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
<u>From Contract Liabilities at the Beginning of the Year</u>		
Product sales	<u>\$ 160,523</u>	<u>\$ 70,999</u>

For the analysis of revenues from main products and services, please refer to Note 37.

27. Net Income of Continuing Operations

(1) Net Other Revenue and Cost

	July 1 to September 30, 2024	July 1 to September 30, 2023 (Revised)	January 1 to September 30, 2024	January 1 to September 30, 2023 (Revised)
Operating lease rental income	\$ 10,375	\$ 8,076	\$ 27,159	\$ 25,229
Gains on disposals of property, plant and equipment	88	33,002	4,134	42,698
Depreciation expense on leased assets	(739)	(739)	(2,216)	(2,216)
Depreciation expense on investment property	(32)	(32)	(97)	(491)
	<u>\$ 9,692</u>	<u>\$ 40,307</u>	<u>\$ 28,980</u>	<u>\$ 65,220</u>

(2) Interest Revenue

	July 1 to September 30, 2024	July 1 to September 30, 2023 (Revised)	January 1 to September 30, 2024	January 1 to September 30, 2023 (Revised)
Cash in banks	<u>\$ 11,181</u>	<u>\$ 10,358</u>	<u>\$ 35,066</u>	<u>\$ 33,266</u>

(3) Other Revenue

	July 1 to September 30, 2024	July 1 to September 30, 2023 (Revised)	January 1 to September 30, 2024	January 1 to September 30, 2023 (Revised)
Dividend revenue	\$ 6,478	\$ 16,344	\$ 6,478	\$ 16,344
Others	<u>629</u>	<u>759</u>	<u>1,549</u>	<u>3,589</u>
	<u>\$ 7,107</u>	<u>\$ 17,103</u>	<u>\$ 8,027</u>	<u>\$ 19,933</u>

(4) Other Gains and Losses

	July 1 to September 30, 2024	July 1 to September 30, 2023 (Revised)	January 1 to September 30, 2024	January 1 to September 30, 2023 (Revised)
Net foreign exchange gains	\$ 7,558	\$ 38,517	\$ 60,710	\$ 26,560
Impairment loss recognized in profit or loss, property, plant and equipment	(4,424)	-	(4,424)	-
Others	(3,535)	(106)	(7,116)	1,812
	<u>(\$ 401)</u>	<u>\$ 38,411</u>	<u>\$ 49,170</u>	<u>\$ 28,372</u>

(5) Financial Costs

	July 1 to September 30, 2024	July 1 to September 30, 2023 (Revised)	January 1 to September 30, 2024	January 1 to September 30, 2023 (Revised)
Interest on lease liabilities	\$ 1,451	\$ 1,302	\$ 4,230	\$ 3,890
Bank loan interest	-	-	-	4,772
Other interest expense	<u>358</u>	<u>12</u>	<u>694</u>	<u>34</u>
	<u>\$ 1,809</u>	<u>\$ 1,314</u>	<u>\$ 4,924</u>	<u>\$ 8,696</u>

(6) Depreciation and Amortization

	July 1 to September 30, 2024	July 1 to September 30, 2023 (Revised)	January 1 to September 30, 2024	January 1 to September 30, 2023 (Revised)
Property, plant and equipment	\$ 124,576	\$ 134,237	\$ 328,453	\$ 396,801
Right-of-use asset	6,248	6,721	18,976	20,083
Investment property	32	32	97	491
Intangible assets	<u>4,085</u>	<u>2,645</u>	<u>11,204</u>	<u>8,077</u>
Total	<u>\$ 134,941</u>	<u>\$ 143,635</u>	<u>\$ 358,730</u>	<u>\$ 425,452</u>
Depreciation expenses summarized by function				
Operating costs	\$ 119,472	\$ 137,080	\$ 317,778	\$ 396,457
Operating expenses	10,613	3,139	27,435	18,211
Other operating income and expenses	<u>771</u>	<u>771</u>	<u>2,313</u>	<u>2,707</u>
	<u>\$ 130,856</u>	<u>\$ 140,990</u>	<u>\$ 347,526</u>	<u>\$ 417,375</u>
Amortization expenses summarized by function				
Operating costs	\$ 859	\$ 465	\$ 2,311	\$ 1,317
Operating expenses	<u>3,226</u>	<u>2,180</u>	<u>8,893</u>	<u>6,760</u>
	<u>\$ 4,085</u>	<u>\$ 2,645</u>	<u>\$ 11,204</u>	<u>\$ 8,077</u>

(7) Employee Benefits Expenses

	July 1 to September 30, 2024	July 1 to September 30, 2023 (Revised)	January 1 to September 30, 2024	January 1 to September 30, 2023 (Revised)
Post-employment benefits				
Defined contribution plans	\$ 10,018	\$ 9,974	\$ 29,941	\$ 30,215
Defined benefit plans (Note 24)	(88)	(54)	(265)	(164)
	9,930	9,920	29,676	30,051
Other employee benefits	<u>314,401</u>	<u>279,364</u>	<u>923,525</u>	<u>823,387</u>
Total employee benefit expenses	<u>\$ 324,331</u>	<u>\$ 289,284</u>	<u>\$ 953,201</u>	<u>\$ 853,438</u>
Summarized by function				
Operating costs	\$ 201,457	\$ 191,261	\$ 595,187	\$ 551,860
Operating expenses	<u>122,874</u>	<u>98,023</u>	<u>358,014</u>	<u>301,578</u>
	<u>\$ 324,331</u>	<u>\$ 289,284</u>	<u>\$ 953,201</u>	<u>\$ 853,438</u>

(8) Employee Compensation and Directors' Remuneration

In accordance with the provisions of the Company's Articles of Incorporation, employee compensation and remuneration for directors are allocated from the pre-tax profit for the current year, after deducting the amounts for employee and director compensation, at a rate no less than 2% and no more than 5%, respectively. The estimated employee and directors' remuneration for the periods from July 1 to September 30, 2024 and 2023, and January 1 to September 30, 2024 and 2023 were as follows:

Percentage Estimation

	January 1 to September 30, 2024	January 1 to September 30, 2023
Employee Compensation	8.21%	6.62%
Director's Remuneration	0.71%	0.57%

Amount

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Employee Compensation	<u>\$ 9,169</u>	<u>\$ 8,631</u>	<u>\$ 43,245</u>	<u>\$ 23,621</u>
Director's Remuneration	<u>\$ 790</u>	<u>\$ 743</u>	<u>\$ 3,723</u>	<u>\$ 2,033</u>

After the issuance date of the annual consolidated financial statements, if the amounts are still subject to change, they will be treated as changes in accounting estimates and adjusted in the following year.

The estimated employee compensation and remuneration for directors and supervisors for 2023 and 2022 were resolved by the board of directors on March 14, 2024 and March 15, 2023, respectively, as follows:

	<u>2023</u>	<u>2022</u>
	<u>Cash</u>	<u>Cash</u>
Employee Compensation	<u>\$ 59,000</u>	<u>\$ 118,200</u>
Director's Remuneration	<u>\$ 5,320</u>	<u>\$ 8,500</u>

The actual distribution amounts of employee compensation and directors' compensation for 2023 and 2022 are not different from the recognized amounts in the 2023 and 2022 consolidated financial statements.

Regarding the information on employee compensation and directors' and supervisors' compensation resolved by the Company's board of directors, please visit the "Market Observation Post System" of the Taiwan Stock Exchange for more details.

(9) Foreign Currency Exchange (Loss) Gain

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023 (Revised)</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023 (Revised)</u>
Total foreign exchange gain	\$ 14,418	\$ 38,517	\$ 74,658	\$ 66,226
Total foreign exchange loss	(6,860)	-	(13,948)	(39,666)
Net profit	<u>\$ 7,558</u>	<u>\$ 38,517</u>	<u>\$ 60,710</u>	<u>\$ 26,560</u>

28. Income Tax

(1) Income Tax Recognized in Profit or Loss

The main components of income tax expense (profit) are as follows:

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Current income tax				
Producer for the current period	\$ 32,401	\$ 17,758	\$ 122,667	\$ 28,366
Prior year adjustments	(22,423)	-	(22,423)	(29,802)
Deferred tax				
Producer for the current period	(4,255)	(17,968)	(4,003)	3,328
Income tax expense (profit) recognized in profit or loss	<u>\$ 5,723</u>	<u>(\$ 210)</u>	<u>\$ 96,241</u>	<u>\$ 1,892</u>

(2) Circumstances of Income Tax Assessment

For the Company's profit-seeking enterprise income tax filing, tax cases up to and prior to 2022 have been assessed by the tax collection authorities.

29. Earnings per Share

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
				Unit: Per Share
Basic earnings per share				
From continuing operations	\$ 0.76	\$ 1.45	\$ 3.20	\$ 2.71
From discontinued operations	(0.04)	(0.06)	(0.14)	(0.21)
Total basic earnings per share	<u>\$ 0.72</u>	<u>\$ 1.39</u>	<u>\$ 3.06</u>	<u>\$ 2.50</u>
Diluted earnings per share				
From continuing operations	\$ 0.75	\$ 1.44	\$ 3.18	\$ 2.70
From discontinued operations	(0.04)	(0.05)	(0.14)	(0.21)
Total diluted earnings per share	<u>\$ 0.71</u>	<u>\$ 1.39</u>	<u>\$ 3.04</u>	<u>\$ 2.49</u>

The earnings and weighted average number of ordinary shares used in the calculation of earnings per share for continuing operations are as follows:

Net Profit for the Period

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Net profit attributable to owners of the Company	\$ 92,015	\$ 178,711	\$ 393,525	\$ 321,864
Add: Loss from discontinued operations used to calculate basic earnings per share from discontinued operations	<u>5,216</u>	<u>7,079</u>	<u>18,007</u>	<u>26,994</u>
Net income used to calculate basic earnings per share from continuing operations	97,231	185,790	411,532	348,858
Potential impact of dilutive ordinary shares	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income used to calculate diluted earnings per share from continuing operations	<u>\$ 97,231</u>	<u>\$ 185,790</u>	<u>\$ 411,532</u>	<u>\$ 348,858</u>

Number of Shares

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
				Unit: Shares: %
The weighted average number of common shares used to calculate basic earnings per share	128,498	128,498	128,498	128,498
Potential impact of dilutive ordinary shares:				
Employee compensation	<u>700</u>	<u>416</u>	<u>853</u>	<u>904</u>
The weighted average number of common shares used to calculate diluted earnings per share	<u>129,198</u>	<u>128,914</u>	<u>129,351</u>	<u>129,402</u>

If the Group has the option to pay employee compensation in stock or cash, when calculating diluted earnings per share, it is assumed that employee compensation will be paid in stock. If the potential common stock has a dilutive effect, it is included in the weighted average number of shares outstanding to calculate diluted earnings per share. Before deciding on the number of shares to be issued as employee compensation in the following year, the dilutive effect of such potential common stock continues to be considered when calculating diluted earnings per share.

30. Non-Cash Transactions

The Group entered into the following non-cash investing and financing activities during the periods from January 1 to September 30, 2024 and 2023:

- (1) From January 1 to September 30, 2024 and 2023, the Group transferred inventory of NT\$120,975 thousand and NT\$49,783 thousand, respectively, to property, plant and equipment; additionally, from January 1 to September 30, 2024 and 2023, the Group transferred net property, plant and equipment of NT\$19,449 thousand (cost of NT\$52,033 thousand less accumulated depreciation of NT\$32,584 thousand) and NT\$15,274 thousand (cost of NT\$20,131 thousand less accumulated depreciation of NT\$4,857 thousand), respectively, to inventory; furthermore, from January 1 to September 30, 2023, the Group transferred net property, plant and equipment of NT\$483 thousand (cost of NT\$2,139 thousand less accumulated depreciation of NT\$1,656 thousand) to investment property; moreover, from January 1 to September 30, 2023, the Group transferred net investment property of NT\$20,244 thousand (cost of NT\$40,160 thousand less accumulated depreciation of NT\$19,916 thousand) to property, plant and equipment; additionally, from January 1 to September 30, 2023, the Group transferred net property, plant and equipment of NT\$1,658 thousand (recorded as equipment awaiting inspection and construction in progress) to intangible assets (see Note 15).

31. Financial Instruments

(1) Information on Fair Value - Financial Instruments not Measured at Fair Value

The Group's management believes that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values.

(2) Fair Value Information - Financial Instruments Measured at Fair Value on a Recurring Basis

1. Fair Value Level

September 30, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets Measured at Fair Value Through Profit or Loss</u>				
Limited partnership	\$ _____ -	\$ _____ -	\$ 14,542	\$ 14,542
<u>Financial Assets Measured at Fair Value Through Other Comprehensive Income</u>				
Equity instrument investment				
- Domestic listed stocks	\$ 343,913	\$ -	\$ -	\$ 343,913
- Domestic unlisted stocks	-	-	5,000	5,000
- Foreign unlisted stocks	-	-	95,597	95,597
Total	<u>\$ 343,913</u>	<u>\$ -</u>	<u>\$ 100,597</u>	<u>\$ 444,510</u>
<u>Financial Liability Measured at Fair Value Through Profit or Loss</u>				
Derivative product	\$ _____ -	\$ 2,987	\$ _____ -	\$ 2,987

December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets Measured at Fair Value Through Profit or Loss</u>				
Limited partnership	\$ _____ -	\$ _____ -	\$ 14,824	\$ 14,824
<u>Financial Assets Measured at Fair Value Through Other Comprehensive Income</u>				
Equity instrument investment				
- Domestic listed stocks	\$ 379,444	\$ -	\$ -	\$ 379,444
- Domestic unlisted stocks	-	-	5,000	5,000
- Foreign unlisted stocks	-	-	103,493	103,493
Total	<u>\$ 379,444</u>	<u>\$ -</u>	<u>\$ 108,493</u>	<u>\$ 487,937</u>

September 30, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets Measured at Fair Value Through Other Comprehensive Income</u>				
Equity instrument investment				
- Domestic listed stocks	\$ 335,095	\$ -	\$ -	\$ 335,095
- Domestic unlisted stocks	-	-	5,000	5,000
- Foreign unlisted stocks	-	-	<u>180,092</u>	<u>180,092</u>
Total	<u>\$ 335,095</u>	<u>\$ -</u>	<u>\$ 185,092</u>	<u>\$ 520,187</u>

There were no transfers between Level 1 and Level 2 fair value measurements from January 1 to September 30, 2024 and 2023.

2. Reconciliation of Financial Instruments Measured at Fair Value Within Level 3

January 1 to September 30, 2024

	Equity Instruments Measured at Fair Value Through Profit or Loss	Equity Instruments Measured at Fair Value Through Other Comprehensive Income	Total
Beginning balance	\$ 14,824	\$ 108,493	\$ 123,317
Recognized in profit or loss (other gains and losses)	(282)	-	(282)
Recognized in other comprehensive income (unrealized valuation of financial assets measured at fair value through other comprehensive income)	<u>-</u>	<u>(7,896)</u>	<u>(7,896)</u>
Ending balance	<u>\$ 14,542</u>	<u>\$ 100,597</u>	<u>\$ 115,139</u>

January 1 to September 30, 2023

	Equity Instruments Measured at Fair Value Through Other Comprehensive Income
Beginning balance	<u>\$ 211,465</u>
Recognized in other comprehensive income (unrealized valuation of financial assets measured at fair value through other comprehensive income)	<u>(26,373)</u>
Ending balance	<u>\$ 185,092</u>

3. Valuation Techniques and Inputs for Level 2 Fair Value Measurements

<u>Categories of Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Derivative product - Forward exchange contracts	Cash flow discount method: Estimate future cash flows based on observable forward exchange rates at the end of the period and contractual exchange rates, and discount them using discount rates that reflect the credit risk of each counterparty.

4. Valuation Techniques and Inputs for Level 3 Fair Value Measurements

Domestic and overseas unlisted (over-the-counter) equity and limited partnership investments are valued using the asset approach, or based on the trading prices of similar stocks in an active market, adjusted for liquidity, to obtain their fair value.

(3) Categories of Financial Instruments

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Financial Asset</u>			
Measured at fair value through profit or loss			
Mandatorily measured at fair value through profit or loss	\$ 14,542	\$ 14,824	\$ -
Financial assets at amortized cost (Note 1)	3,514,987	3,835,971	3,391,577
Financial assets measured at fair value through other comprehensive income			
Equity instrument investment	444,510	487,937	520,187
<u>Financial Liability</u>			
Measured at fair value through profit or loss			
Mandatorily measured at fair value through profit or loss	2,987	-	-
Measured at amortized cost (Note 2)	720,775	570,107	467,487

Note 1: The balance includes cash and cash equivalents, notes receivable and accounts receivable (including related party amounts), and other receivables (including related party amounts) measured at amortized cost that are included as financial assets. The balance includes the related asset balances transferred to disposal groups held for sale.

Note 2: The balance includes notes and accounts payable (including related party amounts), other payables (including related party amounts), and long-term borrowings (including the portion due within one year), which are financial liabilities measured at amortized cost. The balance includes the related liability balances transferred to disposal groups held for sale.

(4) Financial Risk Management Objectives and Policies

The Group's major financial instruments include equity investments, trade receivables, trade payables, borrowings, and lease liabilities. The Group's financial management department provides services to its business units, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the Group's operations through internal risk reports analyzing exposures by degree and extent of risks. These risks include market risk (including foreign currency risk, interest rate risk, and other price risk), credit risk, and liquidity risk.

The Group uses derivative financial instruments to hedge its exposure in order to mitigate the impact of such risks. The use of derivative financial instruments is governed by policies approved by the board of directors of the Group, which are the written principles for foreign exchange risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of remaining liquidity. Internal auditors continuously review compliance with policies and exposure limits. The Group does not engage in transactions involving financial instruments (including derivative financial instruments) for speculative purposes.

The financial management department regularly provides reports at the operational management meetings of the consolidated companies to mitigate exposure risks.

1. Market Risk

The operating activities of the Group expose it to the primary financial risks of foreign exchange rate fluctuations (refer to (1) below) and interest rate fluctuations (refer to (2) below). The Company engages in derivative financial instruments to manage its exposure to foreign exchange rate risks, including the use of forward foreign exchange contracts to hedge against the exchange rate risks arising from exporting equipment or providing services to other regions.

The merger of companies has not changed the exposure to market risks of financial instruments and the management and measurement methods for such exposures.

(1) Currency Risk

The Company and several subsidiaries engage in sales and purchases transactions denominated in foreign currencies, which exposes the Group to foreign exchange risk. The Group manages foreign exchange risk within policy-permitted limits by utilizing forward foreign exchange contracts to manage risk.

The Group refers to Note 35 for the book amounts of monetary assets and monetary liabilities denominated in non-functional currencies (including monetary items denominated in non-functional currencies that have been eliminated in the consolidated financial statements) and the book amounts of derivative instruments with foreign exchange risk exposure as of the balance sheet date.

Sensitivity Analysis

The Group is mainly affected by fluctuations in the US dollar, Chinese renminbi and Japanese yen exchange rates.

The following table details the sensitivity analysis of the Group when the New Taiwan Dollar (functional currency) appreciates by 5%, 5%, and 10% against the US dollar, Chinese renminbi, and Japanese yen, respectively. The 5% and 10% are the sensitivity rates used by the Group when reporting foreign exchange risk to key management personnel and represent management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and forward foreign exchange contracts designated as cash flow hedges. The (negative) positive numbers in the table indicate that when New Taiwan Dollars appreciates by 5%, 5%, and 10% against the relevant foreign currencies, the pre-tax net profit will (decrease) increase by the respective amounts.

	The Impact of the US Dollar		The Impact of the Chinese Renminbi		The Impact of the Japanese Yen	
	January 1 to September 30, 2024	January 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Net income (loss) before tax	<u>(\$9,763)</u>	<u>(\$33,026)</u>	<u>(\$40,550)</u>	<u>(\$29,479)</u>	<u>(\$1,006)</u>	<u>(\$6,802)</u>

The change in sensitivity mainly arises from the outstanding U.S. dollar, Chinese renminbi, and Japanese yen-denominated receivables and payables of the consolidated companies that were not cash flow hedged on the balance sheet date. The Group's sensitivity to the RMB exchange rate increased this year, mainly due to an increase in RMB-denominated bank deposits and an increase in RMB-denominated sales resulting in an increase in the balance of RMB-denominated accounts receivable. The Group's sensitivity to the U.S. dollar exchange rate decreased this year, mainly due to an increase in U.S. dollar-denominated sales resulting in a decrease in the balance of U.S. dollar-denominated accounts receivable.

(2) Interest Rate Risk

Due to the consolidated entities simultaneously holding fixed and floating rate assets, the company is exposed to interest rate risk. The Group manages interest rate risk by maintaining an appropriate mix of fixed and floating rate exposures.

On the balance sheet date, the carrying amounts of financial assets and financial liabilities of the Group exposed to interest rate risk are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
With fair value interest rate risk			
- Financial asset	\$ 1,740,631	\$ 1,707,442	\$ 1,621,028
- Financial liability	218,305	175,671	182,269
Cash flow interest rate risk			
- Financial asset	683,688	954,208	728,712
- Financial liability	147,696	141,761	146,973

Sensitivity Analysis

The following sensitivity analysis is determined by the interest rate exposure of non-derivative instruments on the balance sheet date. For floating rate assets and liabilities, the analysis is based on the assumption that the outstanding asset and liability amounts on the balance sheet date were outstanding throughout the reporting period. The change in rates used to report interest rates internally to key management personnel is an increase or decrease of 0.1%, which also represents management's assessment of a reasonably possible range of changes in interest rates.

If the interest rate increases/decreases by 0.1%, with all other variables remaining constant, the Group's pre-tax net profit from January 1 to September 30, 2024 and 2023 will decrease/increase by NT\$402 thousand and NT\$436 thousand, respectively.

(3) Other Price Risk

The Group is exposed to equity price risk arising from equity securities investments. The company's management manages the risk by maintaining a diversified investment portfolio.

Sensitivity Analysis

The following sensitivity analysis is based on the equity price exposure as of the balance sheet date.

If the equity price rises/falls by 1%, the pre-tax profit or loss from January 1 to September 30, 2024 will increase/decrease by NT\$145 thousand due to the increase/decrease in the fair value of financial assets measured at fair value through profit or loss. For the periods from January 1 to September 30, 2024 and 2023, pre-tax other comprehensive income will increase/decrease by NT\$4,445 thousand and NT\$5,202 thousand, respectively, due to the increase/decrease in the fair value of financial assets measured at fair value.

The Group's sensitivity to investments in equity securities has not changed significantly compared to the previous year.

2. Credit Risk

Credit risk refers to the risk of financial loss to the Company resulting from a counterparty's failure to meet contractual obligations. As of the balance sheet date, the maximum exposure to credit risk that could cause financial loss to the Group due to the counterparty's failure to perform obligations and the financial guarantees provided by the Group is primarily from:

- (1) The carrying amount of financial assets recognized in the consolidated balance sheet.
- (2) The contingent liabilities arising from financial guarantees provided by the Group.

To mitigate credit risk, the management of the Company has assigned a dedicated team responsible for determining credit limits, approving credit, and carrying out other monitoring procedures to ensure that appropriate actions have been taken to recover overdue receivables. Furthermore, the Group reviews the recoverable amount of each receivable on the balance sheet date to ensure that appropriate impairment losses have been provided for uncollectible receivables. Based on this, the Company's management believes that the credit risk of the Group has been significantly reduced.

The credit risk of the Group is mainly concentrated in the top six customers prior to the merger. As of September 30, 2024 and December 31 to September 30, 2023, the percentages of total accounts receivable from the aforementioned customers were 32%, 34% and 47%, respectively.

3. Liquidity Risk

The Group maintains sufficient cash and cash equivalents to support the Group's operations and mitigate the effects of cash flow fluctuations through management and maintenance. The Group's management monitors the use of bank credit facilities and ensures compliance with borrowing covenant terms.

The unused short-term bank credit facilities of the Group are described in the following (2) Credit facilities.

(1) Liquidity and Interest Rate Risk Table for Non-Derivative Financial Liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities is prepared based on the earliest date on which the Company may be required to repay the financial liabilities according to the undiscounted cash flows (including principal and estimated interest) of the financial liabilities. Therefore, bank borrowings which the consolidated company may be required to repay immediately are included in the earliest period in the following table, regardless of the probability of the bank exercising its right to demand immediate repayment; the maturity analysis of other non-derivative financial liabilities is prepared based on the agreed repayment dates.

The undiscounted interest amount of the cash flows paid with a floating interest rate is derived based on the expected borrowing rate as of the balance sheet date.

September 30, 2024

	Payable on Demand or Less Than 1 Month	1 to 3 Months	3 Months to 1 Year	1 to 5 Years	5 Years or More
<u>Non-derivative Financial Liabilities</u>					
Non-interest bearing liabilities	\$ 311,104	\$ 406,304	\$ 111,901	\$ 8,924	\$ -
Floating rate instrument	-	-	147,924	-	-
Lease liabilities	<u>2,192</u>	<u>4,385</u>	<u>11,666</u>	<u>60,745</u>	<u>188,617</u>
	<u>\$ 313,296</u>	<u>\$ 410,689</u>	<u>\$ 271,491</u>	<u>\$ 69,669</u>	<u>\$ 188,617</u>

Further information on the maturity analysis of lease liabilities is as follows:

	<u>Less Than 1 Year</u>	<u>1 to 5 Years</u>	<u>5 to 10 Years</u>	<u>10 to 15 Years</u>	<u>15 to 20 Years</u>	<u>20 Years or More</u>
Lease liabilities	<u>\$ 18,243</u>	<u>\$ 60,745</u>	<u>\$ 85,156</u>	<u>\$ 67,588</u>	<u>\$ 35,873</u>	<u>\$ -</u>

December 31, 2023

	<u>Payable on Demand or Less Than 1 Month</u>	<u>1 to 3 Months</u>	<u>3 Months to 1 Year</u>	<u>1 to 5 Years</u>	<u>5 Years or More</u>
<u>Non-derivative Financial Liabilities</u>					
Non-interest bearing liabilities	\$ 310,098	\$ 318,579	\$ 91,344	\$ 7,084	\$ -
Floating rate instrument	-	-	-	142,160	-
Lease liabilities	<u>2,319</u>	<u>4,638</u>	<u>18,698</u>	<u>49,538</u>	<u>144,248</u>
	<u>\$ 312,417</u>	<u>\$ 323,217</u>	<u>\$ 110,042</u>	<u>\$ 198,782</u>	<u>\$ 144,248</u>

Further information on the maturity analysis of lease liabilities is as follows:

	<u>Less Than 1 Year</u>	<u>1 to 5 Years</u>	<u>5 to 10 Years</u>	<u>10 to 15 Years</u>	<u>15 to 20 Years</u>	<u>20 Years or More</u>
Lease liabilities	<u>\$ 25,655</u>	<u>\$ 49,538</u>	<u>\$ 55,257</u>	<u>\$ 55,257</u>	<u>\$ 33,734</u>	<u>\$ -</u>

September 30, 2023

	<u>Payable on Demand or Less Than 1 Month</u>	<u>1 to 3 Months</u>	<u>3 Months to 1 Year</u>	<u>1 to 5 Years</u>	<u>5 Years or More</u>
<u>Non-derivative Financial Liabilities</u>					
Non-interest bearing liabilities	\$ 285,257	\$ 246,872	\$ 75,898	\$ 7,084	\$ -
Floating rate instrument	-	-	-	147,403	-
Lease liabilities	<u>2,517</u>	<u>5,033</u>	<u>19,490</u>	<u>52,920</u>	<u>147,011</u>
	<u>\$ 287,774</u>	<u>\$ 251,905</u>	<u>\$ 95,388</u>	<u>\$ 207,407</u>	<u>\$ 147,011</u>

Further information on the maturity analysis of lease liabilities is as follows:

	<u>Less Than 1 Year</u>	<u>1 to 5 Years</u>	<u>5 to 10 Years</u>	<u>10 to 15 Years</u>	<u>15 to 20 Years</u>	<u>20 Years or More</u>
Lease liabilities	<u>\$ 27,040</u>	<u>\$ 52,920</u>	<u>\$ 55,257</u>	<u>\$ 55,257</u>	<u>\$ 36,497</u>	<u>\$ -</u>

The amounts of the aforementioned non-derivative financial liabilities with floating interest rates will change due to the difference between the floating interest rates and the estimated interest rates on the balance sheet date.

(2) Financing Limit

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Secured bank overdraft facilities			
- Utilized amount	\$ -	\$ -	\$ -
- Unused amount	<u>1,050,000</u>	<u>1,050,000</u>	<u>1,050,000</u>
	<u>\$ 1,050,000</u>	<u>\$ 1,050,000</u>	<u>\$ 1,050,000</u>
Guaranteed bank overdraft limit			
- Utilized amount	<u>\$ -</u>	<u>\$ 141,761</u>	<u>\$ 146,973</u>

The unsecured bank credit lines utilized as of September 30, 2024 and 2023, and December 31, 2023, including the performance guarantee limits, amounted to NT\$8,000 thousand. These credit lines were provided by the bank as a guarantee for the Group's test bonded factory certificates and performance bonds for the Industrial Technology Research Institute's industrial foundation technology project plan.

32. Related-Party Transactions

Transactions, account balances, revenues and expenses between the Company and its subsidiaries (related parties of the Company) were fully eliminated upon consolidation, and therefore not disclosed in these notes. Transactions between the consolidated companies and other related parties are as follows.

(1) Name and Relationship of Related Parties

<u>Name of Related Party</u>	<u>Abbreviation</u>	<u>Relationship with Merged Company</u>
Tian Zheng International Precision Machinery Co., Ltd.	Tian Zheng	Associate
Sissca Co., Ltd	Sissca	Associate
Harvatek Corporation	Harvatek	Other related parties
iReach Corporation	iReach	Other related parties
IN & OUT Bio Beauty Corp.	IN & OUT Bio	Other related parties

(2) Operating Revenue

<u>Account Items</u>	<u>Category of Related Parties</u>	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Operating Revenue	Other related parties	<u>\$ 13,387</u>	<u>\$ 8,544</u>	<u>\$ 33,451</u>	<u>\$ 55,241</u>

The merged company provides testing, slitting and other processing services based on the customer's products, so the transaction prices are charged according to the characteristics of the products. The payment policy for processing revenue is generally 45 to 180 days after the end of the month for general customers, while the payment terms for the above-mentioned related parties are 90 to 120 days after the end of the month.

(3) Purchase

<u>Category of Related Parties</u>	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Associate	\$ -	\$ -	\$ 195	\$ 65
Other related parties	-	-	14	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209</u>	<u>\$ 65</u>

The company's purchase of merchandise from the Group is based on market prices less discounts, reflecting the quantity purchased and the relationship with the related party. Transactions with related parties are conducted under normal trading terms and prices.

(4) Notes receivable and accounts receivable from related parties and other receivables from related parties

Account Items	Relationship Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Notes and accounts receivable -	Other related parties			
Related parties	Harvatek	\$ 97,991	\$ 93,200	\$ 92,592
	Others	<u>1,181</u>	<u>8</u>	<u>23</u>
		<u>\$ 99,172</u>	<u>\$ 93,208</u>	<u>\$ 92,615</u>

Notes receivable and accounts receivable from related parties outstanding were not secured. No allowance for doubtful accounts was provided for notes and accounts receivable from related parties from January 1 to September 30, 2024 and 2023.

(5) Accounts Payable - Related Parties and Other Payables

Account Items	Category of Related Parties	September 30, 2024	December 31, 2023	September 30, 2023
Accounts payable to related parties	Other related parties			
	Harvatek	\$ 14	\$ -	\$ -
	Associate			
	Tian Zheng International	<u>-</u>	<u>15</u>	<u>68</u>
		<u>\$ 14</u>	<u>\$ 15</u>	<u>\$ 68</u>

The outstanding accounts payable to related parties are unsecured and will be settled in cash, and no guarantees have been received for the accounts payable to related parties.

Account Items	Category of Related Parties	September 30, 2024	December 31, 2023	September 30, 2023
Other payables from related parties (Listed as other payables)	Other related parties			
	Harvatek	\$ 2,718	\$ -	\$ -
	Others	<u>32</u>	<u>-</u>	<u>-</u>
		<u>\$ 2,750</u>	<u>\$ -</u>	<u>\$ -</u>
Payable on machinery and equipment (Listed as other payables)	Other related parties			
	Harvatek	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,433</u>

(6) Acquisition of Property, Plant and Equipment

<u>Category of Related Parties</u>	<u>Obtain Payment</u>	
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Other related parties	<u>\$ -</u>	<u>\$ 4,300</u>

(7) Lease Agreement

<u>Account Items</u>	<u>Relationship Category/Name</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Lease liabilities	Other related parties			
	Harvatek	<u>\$ 2,534</u>	<u>\$ 10,469</u>	<u>\$ 13,073</u>
<u>Category of Related Parties</u>	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
<u>Interest Expense</u>				
Major influential investor				
Other related parties	<u>\$ 36</u>	<u>\$ 117</u>	<u>\$ 167</u>	<u>\$ 411</u>

The Group leased a plant from a significant investor in January 2020 for a period of 5 years. The rent was determined based on the rent levels of similar assets, and fixed lease payments were made quarterly in accordance with the lease agreement.

(8) Related-Party Transactions

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Manufacturing overhead				
Other related parties	<u>\$ 10,332</u>	<u>\$ 13,906</u>	<u>\$ 26,056</u>	<u>\$ 22,856</u>
Rent revenue				
Other related parties	<u>\$ -</u>	<u>\$ 113</u>	<u>\$ -</u>	<u>\$ 338</u>
Other revenue - Others				
Associate	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11</u>
Dividend revenue				
Other related parties				
Harvatek	<u>\$ 5,115</u>	<u>\$ 15,368</u>	<u>\$ 5,115</u>	<u>\$ 15,368</u>
	September 30, 2024	December 31, 2023	September 30, 2023	
Guarantee deposits paid				
Other related parties	<u>\$ 1,000</u>	<u>\$ 1,030</u>	<u>\$ 1,030</u>	
Contract liability				
Other related parties	<u>\$ 1,140</u>	<u>\$ -</u>	<u>\$ -</u>	

Regarding the leases between the Group and related parties, the determination of rent and payment terms are based on the contract provisions, with no other comparable transactions available for comparison.

The related party transactions in manufacturing costs are due to the Group sharing factory facilities with other related parties, and bearing the related water, electricity, and repair expenses. The determination of expenses and payment terms are based on contractual provisions, and there are no comparable transactions available for comparison.

(9) Remuneration of Key Management Personnel

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Short-term employee benefits	\$ 5,840	\$ 6,804	\$ 19,813	\$ 20,166
Post-employment benefits	<u>92</u>	<u>74</u>	<u>244</u>	<u>220</u>
	<u>\$ 5,932</u>	<u>\$ 6,878</u>	<u>\$ 20,057</u>	<u>\$ 20,386</u>

The compensation of directors and other key management personnel is determined by the Compensation Committee based on individual performance and market trends.

33. Assets Pledged as Security

The following assets have been provided to financial institutions and government agencies as collateral for financing or related business.

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Certificate of deposits (financial assets at amortized cost)	\$ 22,237	\$ 20,950	\$ 20,950
Net amount of property, plant and equipment	<u>27,315</u>	<u>33,160</u>	<u>37,234</u>
	<u>\$ 49,552</u>	<u>\$ 54,110</u>	<u>\$ 58,184</u>

Some of the company's land and buildings (listed as real estate, plant and equipment) have been pledged as collateral for bank loans. The company cannot use the pledged assets as collateral for other loans or sell them to other companies.

34. Significant or Contingent Events

YTEC Samoa Company, which invested in YTEC HK Company, which in turn invested in its subsidiary Yangzhou YoungTek, terminated its cooperation with the sales customer Soaring Radio Technology Yangzhou Company Limited (Soaring) in 2020. Due to Soaring's outstanding payment for goods, Yangzhou YoungTek filed a lawsuit against Soaring in June 2021 to recover the payment and won the case in March 2022. In April 2022, Soaring returned the outstanding payment and interest. However, in May 2022, Soaring filed a counterclaim against Yangzhou YoungTek, alleging that Yangzhou YoungTek failed to deliver orders in a timely manner. The Yangzhou People's Court in Jiangsu Province ruled to freeze Yangzhou YoungTek's bank deposit of RMB 1.92 million (equivalent to NT\$8,508,000) in response to Soaring's request. Due to disagreements over the target accounts, the court requested both parties to reconcile the accounts and scheduled the first hearing for January 11, 2023. The first-instance judgment determined that Yangzhou YoungTek had delayed delivery of some goods. On May 29, 2023, both parties signed an agreement where Yangzhou YoungTek paid compensation of RMB 69,000 (equivalent to NT\$521,000) for the delayed delivery and had the bank deposit unfrozen. Therefore, the aforementioned litigation has been fully settled.

35. Information on Foreign Currency Assets and Liabilities with Significant Impact

The following information is expressed in currencies other than the functional currencies of the consolidated entities, with the disclosed exchange rates representing the exchange rates used to translate those foreign currencies into the functional currencies. The significant foreign currency-denominated assets and liabilities are as follows:

September 30, 2024

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
Foreign Currency Assets			
<u>Monetary Items</u>			
USD	\$ 10,971	31.60	\$ 346,684
JPY	95,415	0.22	20,991
RMB	180,869	4.50	<u>813,911</u>
			<u>\$ 1,181,586</u>
Foreign Currency Liabilities			
<u>Monetary Items</u>			
USD	4,777	31.70	\$ 151,431
JPY	49,681	0.22	10,930
RMB	641	4.55	<u>2,917</u>
			<u>\$ 165,278</u>

December 31, 2023

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
Foreign Currency Assets			
<u>Monetary items</u>			
USD	\$ 25,182	30.66	\$ 772,080
JPY	118,699	0.22	26,114
RMB	168,638	4.30	<u>725,143</u>
			<u>\$ 1,523,337</u>
Foreign Currency Liabilities			
<u>Monetary Items</u>			
USD	3,694	30.76	\$ 113,627
JPY	40,076	0.22	8,817
RMB	58	4.35	<u>252</u>
			<u>\$ 122,696</u>

September 30, 2023

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
Foreign Currency Assets			
<u>Monetary Items</u>			
USD	\$ 22,351	32.22	\$ 720,149
JPY	361,447	0.21	75,904
RMB	134,389	4.39	<u>589,968</u>
			<u>\$ 1,386,021</u>
Foreign Currency Liabilities			
<u>Monetary Items</u>			
USD	1,845	32.32	\$ 59,630
JPY	35,828	0.22	7,882
RMB	89	4.44	<u>395</u>
			<u>\$ 67,907</u>

For the merged company, the realized and unrealized net foreign exchange gains (losses) for the periods from July 1 to September 30, 2024 and 2023, and from January 1 to September 30, 2024 and 2023 were NT\$7,558 thousand, NT\$38,517 thousand, NT\$60,710 thousand and NT\$26,560 thousand, respectively. Due to the diverse nature of foreign currency transactions and functional currencies within the Group entities, it is not feasible to disclose the exchange gains and losses by major foreign currency denomination.

36. Supplemental Disclosures

(1) Significant Transactions

1. Funds loaned to others: Table 1.
2. Endorsements/guarantees for others: Table 2.
3. The situation of holding securities at the end of the period (excluding investments in subsidiaries, affiliated companies and equity of joint ventures): Table 3.
4. The cumulative amount of buying or selling the same securities reaches NT\$300 million or 20% of paid-in capital: None.
5. The amount for obtaining real estate reached NT\$300 million or 20% of the paid-in capital: None.
6. The amount of disposal of real estate reaching NT\$300 million or 20% of the paid-in capital: None.
7. The amount of purchases and sales with related parties reaching NT\$100 million or 20% of paid-in capital: Table 4.
8. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital: Table 5.
9. Engaging in derivative product transactions: Note 7 and 31.
10. Business relationships and significant transactions and amounts between the parent company and subsidiaries, and among subsidiaries: Table 6.

(2) Information on Investees: Table 7

(3) Information on Investment in Mainland China:

1. Name, main business activities, paid-in capital, investment method, inflow and outflow of funds, shareholding ratio, investment gains or losses, investment book value at the end of the period, repatriated investment gains or losses, and limit on investments in mainland China for investees in mainland China: Table 8.
2. Major direct or indirect transactions via a third area with the invested companies in mainland China, including their prices, payment terms, and unrealized gains and losses: Table 9.

(4) Names, Shareholdings, and Percentages of Shareholders with 5% or More Ownership: Table 10.

37. Segment Information

The operating decision makers of the consolidated companies used to allocate resources and evaluate the performance of the departments focus on the financial information of product sales. The measurement basis of this financial information is the same as that of the consolidated financial statements. The reportable segments of the consolidated companies are the OEM business department and the proprietary product business department.

(1) Department Revenue and Operating Results

	Segment Revenue			
	July 1 to September 30, 2024	July 1 to September 30, 2023 (Revised)	January 1 to September 30, 2024	January 1 to September 30, 2023 (Revised)
Contract Manufacturing Business Unit	\$ 639,070	\$ 587,450	\$ 1,878,769	\$ 1,809,972
Own product business unit	<u>324,016</u>	<u>236,110</u>	<u>1,162,427</u>	<u>725,261</u>
Total amount of continuing operations	<u>\$ 963,086</u>	<u>\$ 823,560</u>	<u>\$ 3,041,196</u>	<u>\$ 2,535,233</u>
	Segment Profit or Loss			
	July 1 to September 30, 2024	July 1 to September 30, 2023 (Revised)	January 1 to September 30, 2024	January 1 to September 30, 2023 (Revised)
Contract Manufacturing Business Unit	\$ 101,678	\$ 113,166	\$ 317,564	\$ 306,163
Own product business unit	<u>182,019</u>	<u>107,483</u>	<u>641,559</u>	<u>349,022</u>
Total amount of continuing operations	283,697	220,649	959,123	655,185
Operating expenses	(\$ 209,826)	(\$ 149,525)	(\$ 585,447)	(\$ 429,063)
Net other revenue and cost	9,692	40,307	28,980	65,220
Interest revenue	11,181	10,358	35,066	33,266
Other revenue	7,107	17,103	8,027	19,933
Other gains and losses	(401)	38,411	49,170	28,372
Financial costs	(1,809)	(1,314)	(4,924)	(8,696)
Share of profit or loss of associates accounted for using equity method	(<u>4,016</u>)	(<u>1,093</u>)	(<u>9,121</u>)	(<u>6,774</u>)
Net profit before tax from continuing operations	<u>\$ 95,625</u>	<u>\$ 174,896</u>	<u>\$ 480,874</u>	<u>\$ 357,443</u>

Departmental profit refers to the profit earned by each department, excluding allocated operating expenses, non-operating income and gains, and non-operating expenses and losses. This measurement amount is provided to the chief operating decision maker for the purposes of allocating resources to the departments and assessing their performance.

(2) Department Assets and Liabilities

The measurement amounts of the consolidated company's assets and liabilities are not provided to operational decision-makers, therefore the measurement amount of segment assets is zero.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES

LENDING MONEY TO OTHERS

January 1 to September 30, 2024

Table 1

Unit: In thousands of New Taiwan Dollars, unless otherwise specified

No.	Lending Company	Borrower	Items in Transit	Whether to Be a Related Person	Current Maximum Balance	Ending Balance (Note 1)	Actual Disbursed Amount	Interest Rate Range	Nature of Funds Lending	Business Transaction Amount	The reason for the Need for Short-Term Bridging Funds	Provision for Doubtful Accounts	Collateral		Lending Limits for Individual Objects	Total Loan Limit
													Name	Value		
1	YTEC Holding (Samoa) Co., Ltd.	Suzhou YoungTek Microelectronics Ltd.	Other receivables - related parties	Yes	\$223,580	\$221,550	\$ 63,300	(Note 2)	For operational use	\$ -	For operational use	\$ -	—	\$ -	\$256,470 (Note 3)	\$256,470 (Note 3)
2	YTEC (Hong Kong) Global Limited	Xiamen YoungTek Electronics Ltd.	Other receivables - related parties	Yes	32,835	31,650	25,294	(Note 2)	For operational use	-	For operational use	-	—	-	77,198 (Note 4)	77,198 (Note 4)

Note 1: Figures are derived from the original foreign currency amounts converted at the exchange rates as of September 31, 2024.

Note 2: Interest is calculated at an annual rate of 3%.

Note 3: The lending limit of YTEC Holding (Samoa) Co., Ltd. to an individual entity shall not exceed 40% of the lending company's net value, and shall not exceed 25% of the Company's paid-in capital; the total lending limit shall not exceed 30% of the Company's paid-in capital.

Note 4: The limit of funds lent by YTEC (Hong Kong) Global Limited to any single object shall not exceed 40% of the net worth of the borrowing enterprise, nor shall it exceed 25% of the Company's paid-in capital; the total lending limit shall not exceed 30% of the Company's paid-in capital.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
TO GUARANTEE OR ENDORSE FOR OTHERS

January 1 to September 30, 2024

Table 2

Unit: In thousands of New Taiwan Dollars, unless otherwise specified

No.	Name of the Endorsing Guarantor Company	Endorsed Guaranteed Object		Limit on Endorsements/ Guarantees Extended for a Single Enterprise	Maximum Endorsed Balance for This Period	End of Period Endorsement Balance Guarantee	Actual Disbursed Amount	Amount of Endorsement Guarantee Secured by Property	The Ratio of the Accumulated Amount of Endorsed Guarantees to the Net Worth in the Latest Financial Statement s	Endorsement Guarantee Maximum Limit	Endorsement and Guarantee by Parent Company to Subsidiary	Subsidiary's Endorsement Guarantee for the Parent Company	Belong to the Endorsement Guarantee for the Mainland Region
		Company Name	Related Parties										
0	YTEC Samoa Company	Xiamen YoungTek	The Company indirectly holds 100% of its subsidiaries.	\$ 256,470 (Note 1)	\$ 164,175	\$ 158,250	\$ 147,696	\$ 147,696	2.41%	\$ 256,470 (Note 2)	Y	N	Y

Note 1: The total amount of external endorsements and guarantees by YTEC Samoa Company shall not exceed 40% of YTEC Samoa Company's net worth, and the limit of endorsement and guarantee for a single enterprise shall not exceed 40% of YTEC Samoa Company's net worth.

Note 2: The total amount of external endorsements and guarantees provided by the Company shall not exceed 40% of the Company's net worth.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
EQUITY SECURITIES HELD AT THE END OF THE PERIOD

September 30, 2024

Table 3

Unit: In thousands of New Taiwan Dollars, unless otherwise specified

Holding Company	Type and Name of Securities	Relationship with Securities Issuers	Account Items	Final Examination				Notes
				Shares/Units	Carrying Amount	Equity Ratio %	Fair Value	
YoungTek Electronics Corp.	<u>Limited partnership</u>							
	NEXUS CVC Partners Fund LP.	—	Non-current financial assets measured at fair value through profit or loss	1,500,000	\$ 14,542	2.21	\$ 14,542	Note 2
	<u>Stock</u>							
	Edison Opto Corporation	Our company is a director of that company.	Current financial assets measured at fair value through other comprehensive income	2,549,367	62,459	1.78	62,459	Note 1
	Harvatek Corporation	The chairman of our company and the chairman of that company are the same person.	Non-current financial assets measured at fair value through other comprehensive income	10,230,336	232,229	4.96	232,229	Note 1
	Unimicon Technology Corp.	—	Non-current financial assets measured at fair value through other comprehensive income	29,238	4,210	-	4,210	Note 1 and 3
	Navifus Corporation	—	Non-current financial assets measured at fair value through other comprehensive income	1,500,000	45,015	2.66	45,015	Note 1
	YTTEK Technology Corp.	—	Non-current financial assets measured at fair value through other comprehensive income	333,333	5,000	1.37	5,000	Note 2
	CSVI Ventures L.P.	—	Non-current financial assets measured at fair value through other comprehensive income	-	95,597	10.15	95,597	Note 2
Aeolus Robotics Corporation (Cayman)	—	Non-current financial assets measured at fair value through other comprehensive income	2,000,000	-	2.39	-	Note 2	

Note 1: It is calculated based on the closing price as of the end of September, 2024.

Note 2: It is calculated based on the most recent financial statements obtained by the company or estimated from the market trading price.

Note 3: Unimicon Technology Corp. merged and acquired Subtron Technology Co., Ltd. on January 6, 2023, and the shareholding ratio of YTEC changed from 0.04% to 0.00%.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES

THE AMOUNT OF PURCHASES OR SALES WITH RELATED PARTIES REACHES NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL.

January 1 to September 30, 2024

Table 4

Unit: In thousands of New Taiwan Dollars, unless otherwise specified

Import (Sales) Company	Counterparty Name	Related Parties	Trading Situation				Circumstances and Reasons Where Transaction Terms Differ from Regular Transactions		Notes and Accounts Receivable (Payable)		Notes
			Goods Inward/ Goods Outward	Amount	Percentage of Total Revenue (Sales)	Credit Period	Unit Price	Credit Period	Balance	Ratio of Total Notes and Accounts Receivable (Payable)	
Suzhou YoungTek	YoungTek	The Company indirectly holds 100% of its subsidiaries.	Sales	\$ 612,263	22.67%	180 days to the end of the month	\$ -	—	\$ 680,624	75.35%	—

Note: The paid-in capital refers to the paid-in capital of the parent company. If the company's shares have no par value or the par value per share is not NT\$10, the transaction amount of 20% of the paid-in capital shall be calculated based on 10% of the equity attributable to the parent company owners in the balance sheet.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES REACH NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

September 30, 2024

Table 5

Unit: In thousands of New Taiwan Dollars, unless otherwise specified

Company with Accounts Receivable Listed	Counterparty Name	Related Parties	Balance of Accounts Receivable from Related Parties	Turnover Rate	Overdue Receivables from Related Parties		Amount Subsequently Recovered from Accounts Receivable from Related Parties	Provision for Credit Losses
					Amount	Handling Method		
YoungTek	Suzhou YoungTek	The Company indirectly holds 100% of its subsidiaries.	\$ 680,624	125%	\$ 23,423	In continuous debt collection	\$ 45,631	\$ -

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
STATUS OF BUSINESS RELATIONSHIP AND SIGNIFICANT TRANSACTIONS BETWEEN THE PARENT COMPANY AND SUBSIDIARIES

January 1 to September 30, 2024

Table 6

Unit:NT\$ thousands

No.	Trader Name	Counterparty	Relationship with Counterparties (Note 1)	Transaction Situation			
				Subject	Amount	Terms and Conditions	Percentage of Consolidated Total Revenue or Total Assets
0	YoungTek	Xiamen YoungTek	1	Deferred credit - Transactions between affiliated companies	\$ 1,159	Note 2	-
		Yangzhou YoungTek	1	Deferred credit - Transactions between affiliated companies	25,355	Note 2	-
				Accounts payable	742	Note 2	-
		Shenzhen YoungTek	1	Operating Revenue	18,969	Note 2	1%
				Accounts receivable	7,141	Note 2	-
				Deferred credit - Transactions between affiliated companies	10,565	Note 2	-
		Suzhou YoungTek	1	Operating Revenue	612,263	Note 2	20%
				Purchase	1,848	Note 2	-
				Sale of fixed assets	52,718	Note 2	2%
				Accounts receivable	680,624	Note 2	8%
				Other receivables	23,423	Note 2	-
				Accounts payable	1,806	Note 2	-
Deferred credit - Transactions between affiliated companies	164,296			Note 2	2%		
Anhui Utest	1	Operating Revenue	115,865	Note 2	4%		
		Accounts receivable	116,363	Note 2	1%		
		Other receivables	26,988	Note 2	-		
		Deferred credit - Transactions between affiliated companies	59,177	Note 2	1%		
American YoungTek	1	Operating Revenue	446	Note 2	-		
		Commission expense	6,497	Note 2	-		
		Other payables	3,170	Note 2	-		
1	Shenzhen YoungTek	Yangzhou YoungTek	2	Purchase	39	Note 2	-
				Technical service fees	36	Note 2	-
				Rental income	1,622	Note 2	-
				Accounts receivable	204	Note 2	-
				Accounts payable	38	Note 2	-
				Other payables	2,087	Note 2	-
		Suzhou YoungTek	2	Rental income	4,056	Note 2	-
				Purchase	614	Note 2	-
				Sale of fixed assets	11	Note 2	-
				Accounts receivable	510	Note 2	-
Accounts payable	690	Note 2	-				

No.	Trader Name	Counterparty	Relationship with Counterparties (Note 1)	Transaction Situation			
				Subject	Amount	Terms and Conditions	Percentage of Consolidated Total Revenue or Total Assets
2	Yangzhou YoungTek	Shenzhen YoungTek	2	Sale of fixed assets	\$ 23	Note 2	-
3	Xiamen YoungTek	YTEC HK	2	Interest expense	444	Note 2	-
				Short-term borrowings	25,294	Note 2	-
				Accrued interest payable	46	Note 2	-
		Suzhou YoungTek	2	Sale of fixed assets	5	Note 2	-
4	Suzhou YoungTek	Anhui Utest	2	Operating Revenue	2,184	Note 2	-
		Shenzhen YoungTek	2	Purchase	415	Note 2	-
		YTEC Samoa Company	2	Short-term borrowings	64,429	Note 2	1%

Note 1: 1 represents transactions between the parent company and its subsidiaries.

2 represents transactions between subsidiaries.

Note 2: It is determined based on the agreed terms between the parties.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
INFORMATION OF THE INVESTED COMPANY

January 1 to September 30, 2024

Table 7

Unit: In thousands of New Taiwan Dollars, unless otherwise specified

Company Name of Investment	Name of Invested Company	Location	Main Business Items	Original Investment Amount		Our Company Holds			Income (Loss) of Investee for the Current Period	Investment (Loss) Income Recognized for the Current Period	Notes
				Final Exam This Term	The Previous Final Exam	Number of Shares	Percentage (%)	Carrying Amount			
YoungTek Electronics Corp.	YTEC Holding (Samoa) Co., Ltd.	Samoa	Investment holdings	\$ 1,967,924	\$ 1,967,924	Note 1	100.00	\$ 386,414 (Note 2)	(\$ 66,908)	(\$ 66,908)	—
	Wecon Automation Machinery Corp.	Taiwan Hsinchu	Design, manufacturing, assembly, processing and trading of various controllers, optoelectronic components and equipment, automation machinery, and testing instruments.	1,000	1,000	100,000	100.00	985 (Note 3)	3	3	—
	YOUNGTEK ELECTRONICS CORPORATION USA, INC	United States	Semiconductor equipment sales and OEM/ODM services	USD 500 \$ 16,210	USD - \$ -	1,500	100.00	17,317 (Note 3)	1,523	1,523	—
	Tian Zheng International Precision Machinery Co., Ltd.	Taiwan Kaohsiung	Precision equipment, electronic components, molds	36,256	36,256	5,395,136	14.60	137,224 (Note 3)	(41,922)	(6,121)	—
	Wecon Limited (Samoa)	Samoa	Investment holdings	USD 800 \$ 23,738	USD 800 \$ 23,738	Note 1	100.00	13,511 (Note 3)	(1,547)	(1,547)	—
	Sissca Co., Ltd	Taiwan Hsinchu	Machinery, electronic components, optical instruments	24,000	24,000	3,370,752	15.52	24,714 (Note 3)	(19,332)	(3,000)	—
YTEC Holding (Samoa) Co., Ltd.	YTEC (Hong Kong) Global Limited	Hong Kong	Investment holdings	RMB 224,270 \$ 1,039,916	RMB 224,270 \$ 1,039,916	Note 1	100.00	192,995 (Note 2)	(42,959)	(42,959)	—
	Clear Reach Limited	British Virgin Islands	Investment holdings	USD 7,198 \$ 209,057	USD 7,198 \$ 209,057	Note 1	100.00	119,153 (Note 3)	(12,593)	(12,593)	—

Note 1: It is a limited company, with only paid-in capital and no shares.

Note 2: It is calculated based on the financial statements audited by the accountant during the same period.

Note 3: It is calculated based on the financial statements audited by the accountant during the same period.

Note 4: For information about invested companies in mainland China, please refer to Table 8.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
INFORMATION ON INVESTMENT IN MAINLAND CHINA

January 1 to September 30, 2024

Table 8

Unit: In thousands of New Taiwan Dollars, unless otherwise specified

Name of the Invested Company in Mainland China	Main Business Items	Paid-in Capital (Note 2)	Investment Methods (Note 1)	The cumulative Outward Investment Amount from Taiwan at the Beginning of This Period	Amount of Investment Withdrawn or Remitted for This Period		The Cumulative Outward Investment Amount from Taiwan for the Current Period (Note 2)	The Company's Direct or Indirect Investment Shareholding Ratio	Investment (Losses) Gains Recognized for the Period	End of Period Investment Book Value	Investment Returns Have Been Remitted up to This Period
					Export	Retrieve					
Xiamen YoungTek Electronics Ltd.	Research and development, production and processing of high-brightness light-emitting diodes and LED chips detection equipment, and provision of related technical consulting and services.	RMB 194,235 \$ 899,021	(4)	RMB 194,235 \$ 899,021	\$ -	\$ -	RMB 194,235 \$ 899,021	100%	(\$ 23,078) (Note 3)	(\$ 62,192) (Note 3)	\$ -
Yangzhou YoungTek Electronics Ltd.	Engaged in the research, development, production, and processing of frequency control and selection components (wireless radio frequency tags) and related equipment, as well as providing relevant technical consultation and services.	RMB 67,887 \$ 308,250	(4)	RMB 30,035 \$ 140,895	-	-	RMB 30,035 \$ 140,895	45%	(22,007) (Note 3)	162,379 (Note 3)	-
YoungTek Micro Electronics (Shenzhen) Ltd.	Wafer and integrated circuit testing outsourcing, and providing related technical consulting and services.	RMB 50,172 \$ 202,673	(3)	RMB 47,717 \$ 192,368	-	-	RMB 47,717 \$ 192,368	100%	(14,143) (Note 3)	133,819 (Note 3)	-
Suzhou YoungTek Microelectronics Ltd.	Engaging in "integrated circuit design; chip testing, packaging, and processing; technology development, technical services, and technical consulting in the semiconductor and integrated circuit fields; computer software design and development; sales of semiconductors, electronic products, electro-mechanical equipment, and electronic components; machinery equipment maintenance, leasing, and sales; and import and export of various goods and technologies."	RMB 20,677 \$ 93,330	(2)	RMB 20,677 \$ 93,330	-	-	RMB 20,677 \$ 93,330	100%	(28,789) (Note 3)	81,716 (Note 3)	-
Anhui Utest Electronics Ltd.	Manufacturing and sales of specialized equipment for semiconductor devices; manufacturing and sales of industrial automation control computer hardware, software and auxiliary equipment; design and sales of integrated circuit chips and products; software development and sales; sales of semiconductors, electronic products, electronic components, and specialized electronic equipment; machinery equipment maintenance and leasing; technical services, development, consulting, and promotion.	RMB 1,000 \$ 4,436	(5)	-	-	-	-	100%	7,948 (Note 3)	12,017 (Note 3)	-

The Cumulative Amount of Investment Outflows from Taiwan to Mainland China for the Current Period	The Amount of Investment Approved by the Investment Commission of the Ministry of Economic Affairs	According to the Regulations of the Investment Commission of the Ministry of Economic Affairs, up to 60 Percent of the net Worth Can Be Invested in the Mainland China Region
USD 44,448 \$ 1,325,614	USD 44,448 \$ 1,325,614	\$ 3,937,175

Note 1: Investment methods are divided into the following three types, please indicate the type:

- (1) Going to the Mainland Area directly to engage in investment.
- (2) Investing in mainland China through a third-party regional company (investing through the subsidiary YTEC Holding (Samoa) Co., Ltd.).
- (3) Investing in mainland China through a third-party regional company (investing through the subsidiary Wecon Limited (Samoa) and the sub-subsidiary Clear Reach Limited).
- (4) Investing in mainland China through a company located in a third region (via the subsidiary YTEC (Hong Kong) Global Limited).
- (5) Other means (being the self-owned funds of the subsidiary Suzhou YoungTek Microelectronics Ltd. for re-investment).

Note 2: It is calculated by converting the original foreign currency amount at the original exchange rate.

Note 3: Except for Xiamen YTEC, the financial statements of other investee companies for the same period were not reviewed by accountants.

Note 4: Refer to Note 13 of the financial statements.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES

THE FOLLOWING MAJOR TRANSACTIONS WITH INVESTED COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD REGION, INCLUDING THEIR PRICES, PAYMENT TERMS, UNREALIZED GAINS OR LOSSES, AND OTHER RELEVANT INFORMATION

January 1 to September 30, 2024

Table 9

Unit: In thousands of New Taiwan Dollars, unless otherwise specified

Name of the Invested Company in Mainland China	Transaction Type	Sale of Goods, Disposal of Fixed Assets		Terms and Conditions		Notes and Accounts Receivable due From Related Parties		Unrealized Gains or Losses	Notes
		Amount	Percentage	Payment Terms	Compared with a General Transaction	Amount	Percentage		
Suzhou YoungTek	Sales machine revenue, disposal of fixed assets	\$ 664,981	25%	Note	Note	\$ 680,624	75%	\$ 101,027	—
Anhui Utest	Vending machine revenue	115,865	4%	Note	Note	116,363	13%	59,177	—
Shenzhen YoungTek	Vending machine revenue	18,969	1%	Note	Note	7,141	1%	(6)	—
American YoungTek	Other industry income	446	-	Note	Note	-	-	-	—

Note: The transaction prices for sales to related parties have no other appropriate counterparties for comparison, and the payment terms are 90 to 180 days after acceptance.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
INFORMATION ON MAJOR SHAREHOLDERS

September 30, 2024

Table 10

Major Shareholders	Shares	
	Number of Shares Held (shares)	Shareholding Ratio
IN & OUT Bio Beauty Corp.	8,475,617	6.59%

Note: The information on major shareholders in this table is provided by the Taiwan Depository & Clearing Corporation, and is calculated based on shareholders holding 5% or more of the company's registered and issued ordinary shares and preferred shares (including treasury shares) as of the last business day of the quarter. The capital recorded in the company's consolidated financial statements may differ from the actual registered and issued shares due to differences in the calculation basis.