

Stock code: 6261

YoungTek Electronics Corp. and Its Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

Six month ended June 30, 2024 and 2023

Address: No. 13, Aly. 17, Ln. 99, Puding Rd., Hsinchu City, Taiwan

Telephone: (03)5711509

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.

§Table of Contents§

<u>Contents</u>		<u>Page</u>	<u>Financial statement notes number</u>
I.	Cover Page	1	-
II.	Table of Contents	2	-
III.	Independent Auditors' Report	3-4	-
IV.	Consolidated Balance Sheets	5	-
V.	Consolidated Statements of Comprehensive Income	6-7	-
VI.	Consolidated Statements of Changes in Equity	8	-
VII.	Consolidated Statements of Cash Flows	9-10	-
VIII.	Notes to the Consolidated Financial Statements		
	1. Company History	11	1
	2. Date and Procedures of Approval of the Financial Statements	11	2
	3. Application of New and Amended Standards and Interpretations	11-13	3
	4. Summary of Significant Accounting Policies	13-16	4
	5. Significant Accounting Judgments and Assumptions, and Key Sources of Estimation Uncertainty	16	5
	6. Details of Significant Accounts	16-51	6-31
	7. Related-party transactions	51-54	32
	8. Assets Pledged as Security	54	33
	9. Significant Contingent Liabilities and Unrecognized Contractual Commitments	54-55	34
	10. Significant Disaster Loss	-	-
	11. Significant Events After the Balance Sheet Date	-	-
	12. Information on foreign currency assets and liabilities with significant impact.	55-56	35
	13. Supplemental Disclosures		
	(1) Information on Significant Transactions:	56-57, 59-65	36
	(2) Information on Investees	57, 66	36
	(3) Information on Investment in Mainland China	57, 67-69	36
	(4) Information on Major Shareholders	57, 70	36
14.	Segment Information	57-58	37

Independent Auditors' Report

To: YoungTek Electronics Corp.,

Preface

The consolidated balance sheets of YoungTek Electronics Corp. and Its Subsidiaries as of June 30, 2024 and 2023, the consolidated statements of comprehensive income for the periods from April 1 to June 30, 2024 and 2023, as well as from January 1 to June 30, 2024 and 2023, consolidated statements of changes in equity, and consolidated statements of cash flows for the periods from January 1 to June 30, 2024 and 2023, and notes to the consolidated financial statements (including a summary of significant accounting policies) have been audited by us. The management is responsible for preparing the consolidated financial statements that appropriately present the information 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. The accountant's responsibility is to express a conclusion on the consolidated financial statements based on the review results.

Scope

Except for the matters described in the Basis for Qualified Conclusion section, the accountant conducted the review in accordance with Standard on Review Engagements No. 2410 "Review of Financial Statements." The procedures performed in the review of the consolidated financial statements include making inquiries (primarily of persons responsible for financial and accounting matters), performing analytical procedures, and other review procedures. A review is substantially less in scope than an audit and consequently does not enable the accountant to obtain assurance that the accountant would 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 stated in Note 13 to the consolidated financial statements, the financial statements for the same periods of certain insignificant subsidiaries included in the above consolidated financial statements were not reviewed by the accountant. Their total assets as of June 30, 2024 and 2023 amounted to NT\$1,662,871 thousand and NT\$1,088,053 thousand, respectively, representing 19.30% and 12.88% of the consolidated total assets; their total liabilities amounted to NT\$110,635 thousand and NT\$183,067 thousand, respectively, representing 5.77% and 9.96% of the consolidated total liabilities; their total comprehensive income for the periods from April 1 to June 30, 2024 and 2023, and January 1 to June 30, 2024 and 2023, amounted to NT\$(15,436) thousand, NT\$12,296 thousand, NT\$(55,196) thousand, and NT\$9,253 thousand, respectively, accounting for (8.20)%, 966.67%, (18.39)%, and 4.12% of the consolidated total comprehensive income. Furthermore, as stated in Note 14 to the consolidated financial statements, the investments accounted for using the equity method as of June 30, 2024 and 2023 amounted to NT\$163,058 thousand and NT\$173,968 thousand, respectively, and the related share of profit or loss for the periods from April 4 to June 30, 2024 and 2023 amounted to NT\$(4,229) thousand,

NT\$(2,896) thousand, NT\$(5,105) thousand and NT\$(5,681) thousand, respectively, which were recognized and disclosed based on the investees' financial statements for the same periods not reviewed by the accountant. 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 the accountant's review, except for the effects of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant subsidiaries, investees, and reinvested enterprises described in the Basis for Qualified Conclusion section been reviewed by the accountant, nothing has come to the accountant's attention that causes the accountant to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of YoungTek Electronics Corp. and Its Subsidiaries as of June 30, 2024 and 2023, and their consolidated financial performance for the periods from April 1 to June 30, 2024 and 2023, and consolidated cash flows for the periods from January 1 to June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission.

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

August 7, 2024

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.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

June 30, 2024 and 2023, and December 31, 2023

Unit: NT\$ thousands

Code	Assets	June 30, 2024		December 31, 2023		June 30, 2023		Code	Liabilities and equities	June 30, 2024		December 31, 2023		June 30, 2023	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
	Current assets								Current liabilities						
1100	Cash and cash equivalents (Note 6)	\$2,940,885	34	\$2,640,259	32	\$2,844,379	34	2120	Current financial liability measured at fair value through profit or loss (Note 4 and 7)	\$ 2,091	-	\$ -	-	\$ -	-
1120	Current financial assets measured at fair value through other comprehensive income (Note 8)	73,422	1	62,204	1	69,725	1	2130	Current contract liability (Note 26)	98,956	1	171,960	2	57,286	1
1170	Notes and accounts receivable (Note 10)	1,128,880	13	1,071,862	13	839,295	10	2170	Notes and accounts payable (Note 21)	381,978	5	326,257	4	290,918	3
1180	Notes and accounts receivable due from related parties (Note 32)	96,064	1	93,208	1	92,945	1	2180	Accounts payable to related parties (Note 32)	117	-	15	-	68	-
1200	Other receivables (Note 10)	6,838	-	15,765	-	16,759	-	2216	Dividends Payable	513,992	6	-	-	642,490	8
130X	Inventories (Note 11 and 30)	936,547	11	990,387	12	962,432	11	2219	Other payables (Note 22 and 32)	361,691	4	393,749	5	382,194	5
1460	Disposal groups held for sale (Note 4, 12 and 32)	120,314	2	-	-	-	-	2230	Current tax liabilities (Note 4 and 28)	182,251	2	158,437	2	103,340	1
1470	Other current assets (Note 19)	206,282	2	226,391	2	143,962	2	2250	Current provisions (Note 23)	6,598	-	5,974	-	21,394	-
11XX	Total amount of current assets	<u>5,509,232</u>	<u>64</u>	<u>5,100,076</u>	<u>61</u>	<u>4,969,497</u>	<u>59</u>	2260	Liabilities directly associated with disposal groups held for sale (Note 4 and 12)	151,970	2	-	-	-	-
	Non-current assets							2280	Current lease liabilities (Note 16 and 32)	16,462	-	20,818	-	22,894	-
1510	Non-current financial assets measured at fair value through profit or loss (Note 7)	14,549	-	14,824	-	-	-	2399	Other current liabilities (Note 22)	5,791	-	11,016	-	5,611	-
1517	Non-current financial assets measured at fair value through other comprehensive income (Note 8)	394,316	5	425,733	5	475,715	6	21XX	Total amount of current liabilities	<u>1,721,897</u>	<u>20</u>	<u>1,088,226</u>	<u>13</u>	<u>1,526,195</u>	<u>18</u>
1535	Non-current financial assets measured at amortized cost (Note 9 and 33)	21,005	-	20,950	-	20,950	-		Non-current liabilities						
1550	Investments accounted for using equity method (Note 14)	163,058	2	163,558	2	173,968	2	2540	Long-term borrowings (Note 20 and 33)	-	-	141,761	2	140,924	2
1600	Property, plant and equipment (Note 15, 30, 32 and 33)	2,094,493	24	2,224,535	27	2,444,528	29	2580	Non-current lease liabilities (Note 16 and 32)	187,143	2	154,853	2	164,722	2
1755	Right-of-use asset (Note 16)	207,594	2	200,226	3	213,338	3	2645	Guarantee deposits received (Note 15)	7,084	-	7,084	-	7,084	-
1760	Net amount of investment property (Note 17)	1,622	-	1,687	-	21,512	-	25XX	Total amount of non-current liabilities	<u>194,227</u>	<u>2</u>	<u>303,698</u>	<u>4</u>	<u>312,730</u>	<u>4</u>
1780	Intangible assets (Note 18)	38,554	1	30,213	1	28,018	-	2XXX	Total liabilities	<u>1,916,124</u>	<u>22</u>	<u>1,391,924</u>	<u>17</u>	<u>1,838,925</u>	<u>22</u>
1840	Deferred income tax assets (Note 4 and 28)	75,149	1	75,401	1	60,819	1		Equity attributable to owners of the Company (Note 25)						
1915	Prepayments for business facilities	60,664	1	20,355	-	14,280	-		Share capital						
1975	Net defined benefit asset (Note 4 and 24)	32,832	-	26,977	-	20,705	-	3110	Ordinary share	1,284,980	15	1,284,980	16	1,284,980	15
1990	Other current assets (Note 19 and 32)	4,596	-	3,106	-	3,106	-	3200	Capital surplus	2,439,404	28	2,439,724	29	2,443,011	29
15XX	Total amount of non-current assets	<u>3,108,432</u>	<u>36</u>	<u>3,207,565</u>	<u>39</u>	<u>3,476,939</u>	<u>41</u>		Retained earnings						
								3310	Legal reserve	1,208,208	14	1,155,550	14	1,155,550	14
								3320	Special reserve	17,785	-	32,695	-	32,695	-
								3350	Undistributed earnings	1,553,948	18	1,804,178	22	1,420,751	17
								3300	Total amount of retained earnings	2,779,941	32	2,992,423	36	2,608,996	31
								3400	Other equity interest	(10,201)	-	(17,785)	-	36,530	-
								31XX	Total equity of owners of the company	6,494,124	75	6,699,342	81	6,373,517	75
								36XX	Non-controlling interests (Note 13 and 25)	207,416	3	216,375	2	233,994	3
								3XXX	Total equity	<u>6,701,540</u>	<u>78</u>	<u>6,915,717</u>	<u>83</u>	<u>6,607,511</u>	<u>78</u>
1XXX	Total assets	<u>\$8,617,664</u>	<u>100</u>	<u>\$8,307,641</u>	<u>100</u>	<u>\$8,446,436</u>	<u>100</u>		Total liabilities and equities	<u>\$8,617,664</u>	<u>100</u>	<u>\$8,307,641</u>	<u>100</u>	<u>\$8,446,436</u>	<u>100</u>

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

(Please refer to the audit report dated August 7, 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

April 1 to June 30, 2024 and 2023, and January 1 to June 30, 2024 and 2023

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

Code		April 1 to June 30, 2024		April 1 to June 30, 2023(Revised)		January 1 to June 30, 2024		January 1 to June 30, 2023 (Revised)	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating Revenue (Note 26 and 32)	\$ 1,140,982	100	\$ 868,001	100	\$ 2,078,110	100	\$ 1,711,673	100
5000	Inventories (Note 11, 27 and 32)	<u>742,155</u>	<u>65</u>	<u>647,403</u>	<u>75</u>	<u>1,402,684</u>	<u>68</u>	<u>1,277,137</u>	<u>75</u>
5900	Gross Profit	<u>398,827</u>	<u>35</u>	<u>220,598</u>	<u>25</u>	<u>675,426</u>	<u>32</u>	<u>434,536</u>	<u>25</u>
	Operating Revenue (Note 10, 24, 27 and 32)								
6100	Selling expenses	44,423	4	23,459	3	82,902	4	51,876	3
6200	Administrative expenses	49,959	4	46,367	5	98,261	5	96,677	5
6300	Research and development expense	89,669	8	79,226	9	170,830	8	151,412	9
6450	Gain on reversal of expected credit losses	<u>8,269</u>	<u>1</u>	<u>(5,495)</u>	<u>(1)</u>	<u>23,628</u>	<u>1</u>	<u>(20,427)</u>	<u>(1)</u>
6000	Total amount of operating expenses	<u>192,320</u>	<u>17</u>	<u>143,557</u>	<u>16</u>	<u>375,621</u>	<u>18</u>	<u>279,538</u>	<u>16</u>
6510	Net other revenue and cost (Note 27 and 32)	<u>10,257</u>	<u>1</u>	<u>12,201</u>	<u>1</u>	<u>19,288</u>	<u>1</u>	<u>24,913</u>	<u>1</u>
6900	Net operating income	<u>216,764</u>	<u>19</u>	<u>89,242</u>	<u>10</u>	<u>319,093</u>	<u>15</u>	<u>179,911</u>	<u>10</u>
	Non-operating income and expenses								
7100	Interest revenue (Note 27)	13,618	1	14,228	2	23,885	1	22,908	1
7010	Other revenue (Note 27)	201	-	586	-	920	-	2,830	-
7020	Other gains and losses (Note 27)	11,867	1	(7,162)	(1)	49,571	2	(10,039)	(1)
7050	Financial costs (Note 27 and 32)	(1,737)	-	(6,124)	(1)	(3,115)	-	(7,382)	-
7060	Share of profit or loss of associates accounted for using equity method (Note 14)	(4,229)	-	(2,896)	-	(5,105)	-	(5,681)	-
7000	Total non-operating income and expenses	<u>19,720</u>	<u>2</u>	<u>(1,368)</u>	<u>-</u>	<u>66,156</u>	<u>3</u>	<u>2,636</u>	<u>-</u>
7900	Profit before tax	236,484	21	87,874	10	385,249	18	182,547	10
7950	Income tax expense (Note 4 and 28)	<u>53,479</u>	<u>5</u>	<u>12,931</u>	<u>1</u>	<u>90,518</u>	<u>4</u>	<u>2,102</u>	<u>-</u>
8000	Net income for the period from continuing operations	183,005	16	74,943	9	294,731	14	180,445	10
8100	Loss from discontinued operations (Note 12)	<u>(5,774)</u>	<u>-</u>	<u>(13,906)</u>	<u>(2)</u>	<u>(12,791)</u>	<u>(1)</u>	<u>(19,915)</u>	<u>(1)</u>
8200	Net profit for the period	<u>177,231</u>	<u>16</u>	<u>61,037</u>	<u>7</u>	<u>281,940</u>	<u>13</u>	<u>160,530</u>	<u>9</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	1,089	-	(37,471)	(4)	(20,199)	(1)	82,012	5

(Continued on next page)

(Continued from previous page)

Code		April 1 to June 30, 2024		April 1 to June 30, 2023(Revised)		January 1 to June 30, 2024		January 1 to June 30, 2023 (Revised)	
		Amount	%	Amount	%	Amount	%	Amount	%
8320	Other comprehensive income of associates accounted for using equity method	\$ 3,073	-	\$ -	-	\$ 3,073	-	\$ -	-
8360	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translation of foreign financial statements	<u>6,940</u>	<u>1</u>	<u>(22,294)</u>	<u>(3)</u>	<u>35,321</u>	<u>2</u>	<u>(18,160)</u>	<u>(1)</u>
8300	Total amount of other comprehensive income	<u>11,102</u>	<u>1</u>	<u>(59,765)</u>	<u>(7)</u>	<u>18,195</u>	<u>1</u>	<u>63,852</u>	<u>4</u>
8500	Total comprehensive income for the period	<u>\$ 188,333</u>	<u>17</u>	<u>\$ 1,272</u>	<u>=</u>	<u>\$ 300,135</u>	<u>14</u>	<u>\$ 224,382</u>	<u>13</u>
	Net (loss) profit attributable to:								
8610	Owner of this company	\$ 187,393	17	\$ 48,446	6	\$ 301,510	15	\$ 143,153	8
8620	Non-controlling interests	<u>(10,162)</u>	<u>(1)</u>	<u>12,591</u>	<u>1</u>	<u>(19,570)</u>	<u>(1)</u>	<u>17,377</u>	<u>1</u>
8600		<u>\$ 177,231</u>	<u>16</u>	<u>\$ 61,037</u>	<u>7</u>	<u>\$ 281,940</u>	<u>14</u>	<u>\$ 160,530</u>	<u>9</u>
	Total comprehensive income attributable to:								
8710	Owner of this company	\$ 196,443	17	(\$ 4,860)	(1)	\$ 309,094	15	\$ 212,378	12
8720	Non-controlling interests	<u>(8,110)</u>	<u>-</u>	<u>6,132</u>	<u>1</u>	<u>(8,959)</u>	<u>(1)</u>	<u>12,004</u>	<u>1</u>
8700		<u>\$ 188,333</u>	<u>17</u>	<u>\$ 1,272</u>	<u>=</u>	<u>\$ 300,135</u>	<u>14</u>	<u>\$ 224,382</u>	<u>13</u>
	Earnings per Share (Note 29)								
	From continuing and discontinued operations								
9750	Basis point	<u>\$ 1.46</u>		<u>\$ 0.38</u>		<u>\$ 2.35</u>		<u>\$ 1.11</u>	
9850	Dilution	<u>\$ 1.45</u>		<u>\$ 0.38</u>		<u>\$ 2.33</u>		<u>\$ 1.11</u>	
	From continuing operations department								
9710	Basis point	<u>\$ 1.50</u>		<u>\$ 0.49</u>		<u>\$ 2.45</u>		<u>\$ 1.26</u>	
9810	Dilution	<u>\$ 1.49</u>		<u>\$ 0.48</u>		<u>\$ 2.43</u>		<u>\$ 1.26</u>	

The accompanying notes are an integral part of these consolidated financial statements.
(Please refer to the audit report dated August 7, 2024 by Deloitte & Touche)

Chairman: Ping-Lung Wang

Manager: Wei-Tang Hsiao

Chief Accountant: Chiao-Fen Chen

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

For the six month ended June 30, 2024

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

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 01, 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	-	(11,588)	-	-	-	-	-	(11,588)	-	(11,588)
D1	Net profit from January 1 to June 30, 2023	-	-	-	-	143,153	-	-	143,153	17,377	160,530
D3	Other comprehensive income from January 1 to June 30, 2023	-	-	-	-	-	(12,787)	82,012	69,225	(5,373)	63,852
D5	Total comprehensive income from January 1 to June 30, 2023	-	-	-	-	143,153	(12,787)	82,012	212,378	12,004	224,382
Z1	Balance on June 30, 2023	<u>\$ 1,284,980</u>	<u>\$ 2,443,011</u>	<u>\$ 1,155,550</u>	<u>\$ 32,695</u>	<u>\$ 1,420,751</u>	<u>(\$ 94,589)</u>	<u>\$ 131,119</u>	<u>\$ 6,373,517</u>	<u>\$ 233,994</u>	<u>\$ 6,607,511</u>
A1	Balance on January 01, 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 from January 1 to June 30, 2024 (loss)	-	-	-	-	301,510	-	-	301,510	(19,570)	281,940
D3	Other comprehensive income from January 1 to June 30, 2024	-	-	-	-	-	24,710	(17,126)	7,584	10,611	18,195
D5	Total comprehensive income from January 1 to June 30, 2024	-	-	-	-	301,510	24,710	(17,126)	309,094	(8,959)	300,135
Z1	Balance on June 30, 2024	<u>\$ 1,284,980</u>	<u>\$ 2,439,404</u>	<u>\$ 1,208,208</u>	<u>\$ 17,785</u>	<u>\$ 1,553,948</u>	<u>(\$ 66,691)</u>	<u>\$ 56,490</u>	<u>\$ 6,494,124</u>	<u>\$ 207,416</u>	<u>\$ 6,701,540</u>

The accompanying notes are an integral part of these consolidated financial statements.
(Please refer to the audit report dated August 7, 2024 by Deloitte & Touche)

Chairman: Ping-Lung Wang

Manager: Wei-Tang Hsiao

Chief Accountant: Chiao-Fen Chen

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

For the six month ended June 30, 2024

Unit: NT\$ thousands

<u>Code</u>		<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023 (Revised)</u>
	Cash flows from operating activities		
A00010	Net profit before tax from continuing operations	\$ 385,249	\$ 182,547
A00020	Loss from discontinued operations before tax	(12,791)	(19,915)
A10000	Net profit for the period before tax	372,458	162,632
A20010	Revenue expense and loss items		
A20100	Depreciation expense	218,876	280,893
A20200	Amortization expense	7,144	5,483
A20300	Gain on reversal of expected credit losses	23,628	(20,427)
A20400	Losses on financial assets measured at fair value through profit or loss	2,366	-
A20900	Financial costs	6,586	12,455
A21200	Interest revenue	(23,902)	(23,164)
A22300	Share of profit or loss of associates accounted for using equity method	5,105	5,681
A22500	Gains on disposals of property, plant and equipment	(4,046)	(9,696)
A23700	Loss for market price decline and obsolete and slow-moving inventories	18,489	17,162
A24100	Net foreign exchange loss (gain)	(9,413)	11,645
A30000	Net changes in operating assets and liabilities		
A31150	Notes and accounts receivable	(45,840)	(42,941)
A31160	Notes and accounts receivable due from related parties	(2,856)	(28,377)
A31180	Other receivables	(4,184)	(7,295)
A31200	Inventories	(57,643)	(35,787)
A31240	Other current assets	19,817	(8,001)
A32125	Contract liability	(73,004)	(13,745)
A32150	Notes and accounts payable	52,383	(131,479)
A32160	Accounts payable to related parties	102	68
A32180	Other payables	(11,220)	(75,903)
A32200	Provisions for liabilities	624	(4,005)
A32230	Other current liabilities	(5,225)	(7,161)
A32240	Net defined benefit liability	(5,855)	(5,704)
A33000	Cash flow from operations	484,390	82,334
A33100	Interest received	23,033	22,158
A33200	Dividend received	-	5,395
A33300	Interest paid	(6,539)	(12,244)
A33500	Income tax paid	(57,648)	(28,160)
AAAA	Net cash inflow from operating activities	<u>443,236</u>	<u>69,483</u>

(Continued on next page)

(Continued from previous page)

<u>Code</u>		<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023 (Revised)</u>
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	(\$ 55)	(\$ 3,355)
B00050	Disposal of financial assets at amortized cost	-	161,453
B02700	Purchase of property, plant and equipment	(97,647)	(302,608)
B02800	Proceeds from disposal of non-current assets, plant and equipment	29,717	11,691
B03800	Decrease (increase) of refundable deposit	(1,490)	2,001
B04500	Purchase of intangible assets	(15,617)	(1,580)
B07100	Increase (decrease) in prepaid equipment fees	(40,309)	1,491
BBBB	Net cash outflow from investing activities	(125,401)	(130,907)
	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)
C04020	Principal repayment of lease	(11,729)	(12,347)
C09900	Recipient of a gift	35	143
CCCC	Net cash outflow from financing activities	(11,694)	(178,048)
DDDD	Effect of exchange rate changes on cash and cash equivalents	770	(4,274)
EEEE	Net (decrease) increase in cash and cash equivalents	306,911	(243,746)
E00100	Beginning balance of cash and cash equivalents	2,640,259	3,088,125
E00200	Ending balance of cash and cash equivalents	\$ 2,947,170	\$ 2,844,379

Reconciliation of cash and cash equivalents at end of period

<u>Code</u>		<u>June 30, 2024</u>	<u>June 30, 2023</u>
E00210	Cash and cash equivalents shown on the consolidated balance sheet	\$ 2,940,885	\$ 2,844,379
E00240	Cash and cash equivalents included in disposal groups held for sale	6,285	-
E00200	Ending balance of cash and cash equivalents	\$ 2,947,170	\$ 2,844,379

The accompanying notes are an integral part of these consolidated financial statements.
(Please refer to the audit report dated August 7, 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 six month ended June 30, 2024

(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 August 07, 2024.

3. Application of New and Amended Standards and Interpretations

- (1) The first application of International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), Interpretations (IFRICs) and Standing Interpretations (SICs) (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 114

New, Revised and Amended Standards or Interpretations	Effective date of International Accounting Standards Board (IASB) issuance
Amendment to IAS 21 "Lack of Exchangeability"	January 01, 2025 (Note 1)

Note 1: Applicable to annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendment, the comparative period should not be restated. Instead, the cumulative effect should be recognized as an adjustment to the opening balance of retained earnings or the cumulative translation adjustment relating to that foreign operation (as appropriate) and in the related assets and liabilities affected.

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 01, 2026
Amendments to IFRS 7 and IFRS 9 “Amendments to Classification and Measurement of Financial Instruments”	January 01, 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 01, 2023
Amendments to IFRS 17	January 01, 2023
Amendment to IFRS 17 “Initial Application of IFRS17 and IFRS 9–Comparative Information”	January 01, 2023
IFRS 18 "Presentation and Disclosure of Financial Statements"	January 01, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 01, 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 shall be disaggregated in the primary financial statements and notes. Items shall only be described as "other" when no more informative description is available.

- 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 International Accounting Standard 34 "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission. This consolidated financial report does not include all IFRS disclosures required in a complete set of annual financial statements.

(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 situation, 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 any gains or losses recognized in other gains and losses. Interest incurred is recognized as a finance cost. Other remeasurement gains or losses are 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

Disposal groups are classified as held for sale when their carrying amount is expected to be recovered principally through a sale transaction rather than through continuing use. For this classification to apply, the disposal group must be available for immediate sale in its present condition, and its sale must be highly probable. The sale will be deemed highly probable when the appropriate level of management is committed to a plan to sell the asset, and an active program to locate a buyer and complete the sale has been initiated.

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

Disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, and are not depreciated.

4. Defined benefit post-employment benefits

The cost of providing defined benefit post-employment benefits for interim periods is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations, and significant plan amendments, settlements, or other significant one-off events.

5. Income tax expense

Income tax expense is the sum of current income tax and deferred income tax. The income tax for the interim period is assessed on an annual basis using the tax rate that would be 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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Cash on hand and petty cash	\$ 589	\$ 549	\$ 11,240
Bank checks and demand deposits	761,090	953,218	589,713
Cash equivalents (investments with original maturities within 3 months)			
Bank time deposit	1,998,982	1,686,492	2,243,426
Bonds Purchased Under Resale Agreements	180,224	-	-
	<u>\$ 2,940,885</u>	<u>\$ 2,640,259</u>	<u>\$ 2,844,379</u>

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Cash in banks	0.001%~5.460%	0.001%~5.780%	0.001%~5.450%
Bonds Purchased Under Resale Agreements	1.30%	-	-

7. Financial instruments measured at fair value through profit or loss

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Non-current financial assets</u>			
Mandatorily measured at fair value through profit or loss			
Non-derivative Financial Assets			
- Limited Partnership	<u>\$ 14,549</u>	<u>\$ 14,824</u>	<u>\$ -</u>
<u>Financial liability-Current</u>			
Held for trading			
Derivatives (not designated as hedging)			
- Forward exchange contracts			
(1)	<u>\$ 2,091</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:

June 30, 2024

	<u>Currency</u>	<u>Maturity Period</u>	<u>Contract Amount (Thousand NTD)</u>
Sell forward exchange contracts	RMB to NTD	April 1 to July 31, 2024	CNY5,000/NTD21,725
Sell forward exchange contracts	RMB to NTD	June 24, 2024 to July 31, 2024	CNY5,000/NTD22,090
Sell forward exchange contracts	RMB to NTD	April 03, 2024 to August 30, 2024	CNY5,000/NTD21,780
Sell forward exchange contracts	RMB to NTD	June 24, 2024 to August 30, 2024	CNY5,000/NTD22,055
Sell forward exchange contracts	RMB to NTD	June 25, 2024 to August 30, 2024	CNY5,000/NTD22,095
Sell forward exchange contracts	RMB to NTD	April 03, 2024 to September 30, 2024	CNY5,000/NTD13,062
Sell forward exchange contracts	RMB to NTD	April 15, 2024 to October 31, 2024	CNY5,000/NTD21,875
Sell forward exchange contracts	RMB to NTD	June 24, 2024 to October 31, 2024	CNY5,000/NTD22,000
Sell forward exchange contracts	RMB to NTD	June 25, 2024 to November 29, 2024	CNY5,000/NTD22,005
Sell forward exchange contracts	RMB to NTD	June 26, 2024 to December 31, 2024	CNY5,000/NTD22,010

The Group entered into forward exchange contracts mainly to hedge the risk of exchange rate fluctuations of foreign currency assets and liabilities.

8. Financial assets measured at fair value through other comprehensive income

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Current</u>			
Equity investments measured at fair value through other comprehensive income	\$ 73,422	\$ 62,204	\$ 69,725
<u>Non-current</u>			
Equity investments measured at fair value through other comprehensive income	<u>394,316</u>	<u>425,733</u>	<u>475,715</u>
	<u>\$ 467,738</u>	<u>\$ 487,937</u>	<u>\$ 545,440</u>

(1) Equity investments measured at fair value through other comprehensive income

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Current</u>			
Domestic investment			
Listed stocks	<u>\$ 73,422</u>	<u>\$ 62,204</u>	<u>\$ 69,725</u>

(Continued on next page)

(Continued from previous page)

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Non-current</u>			
Domestic investment			
Listed and Emerging stocks	\$ 291,684	\$ 317,240	\$ 292,887
Unlisted stocks	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Subtotal	296,684	322,240	297,887
Foreign investment			
Unlisted stocks	<u>97,632</u>	<u>103,493</u>	<u>177,828</u>
	<u>\$ 394,316</u>	<u>\$ 425,733</u>	<u>\$ 475,715</u>

The Group invests in domestic and foreign company's 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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Non-current</u>			
Domestic investment			
Time deposits with original maturity over 1 year (1)	<u>\$ 21,005</u>	<u>\$ 20,950</u>	<u>\$ 20,950</u>

- (1) As of June 30, 2024, and December 31 and June 30, 2023, the interest rate ranges for time deposits with original maturities over 3 months were 0.575%~1.450% 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 34.

10. Notes receivable, accounts receivable, and other receivables

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Notes receivable</u>			
Arising from business operations	\$ 116,577	\$ 74,847	\$ 22,986
<u>Accounts receivable</u>			
Measured at amortized cost			
Total account amount	1,062,982	1,023,152	849,405
Less: Allowance for losses	(<u>50,679</u>)	(<u>26,137</u>)	(<u>33,096</u>)
	<u>1,012,303</u>	<u>997,015</u>	<u>816,309</u>
Net amount of notes and accounts receivable	<u>\$ 1,128,880</u>	<u>\$ 1,071,862</u>	<u>\$ 839,295</u>

(Continued on next page)

(Continued from previous page)

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Other receivables</u>			
Earned revenue receivable	\$ 4,045	\$ 3,176	\$ 3,703
income tax refund receivable	-	6,073	7,638
Others	<u>2,793</u>	<u>6,516</u>	<u>5,418</u>
	<u>\$ 6,838</u>	<u>\$ 15,765</u>	<u>\$ 16,759</u>

The Group'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 Group uses other publicly available financial information and historical transaction records to rate major customers. The Group continuously monitors credit exposures and the credit ratings of counterparties, and manages credit risk through annual reviews and approved credit limits for counterparties.

The Group 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 Group'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:

June 30, 2024

	<u>Not overdue</u>	<u>91 to 120 days</u>	<u>121 to 150 days</u>	<u>151 to 180 days</u>	<u>181 days or more</u>	<u>Total</u>
Expected credit loss rate	-	5.96%	9.82%	8.82%	32.04%	
Total account amount	\$ 782,706	\$ 82,754	\$ 47,466	\$ 30,122	\$ 119,934	\$ 1,062,982
Loss allowances (lifetime expected credit losses)	-	(4,929)	(4,662)	(2,658)	(38,430)	(50,679)
Amortized cost	<u>\$ 782,706</u>	<u>\$ 77,825</u>	<u>\$ 42,804</u>	<u>\$ 27,464</u>	<u>\$ 81,504</u>	<u>\$ 1,012,303</u>

December 31, 2023

	<u>Not overdue</u>	<u>91 to 120 days</u>	<u>121 to 150 days</u>	<u>151 to 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>

June 30, 2023

	<u>Not overdue</u>	<u>91 to 120 days</u>	<u>121 to 150 days</u>	<u>151 to 180 days</u>	<u>181 days or more</u>	<u>Total</u>
Expected credit loss rate	-	2.87%	4.72%	3.23%	65.35%	
Total account amount	\$ 676,083	\$ 106,489	\$ 17,484	\$ 4,896	\$ 44,453	\$ 849,405
Loss allowances (lifetime expected credit losses)	-	(3,060)	(826)	(158)	(29,052)	(33,096)
Amortized cost	<u>\$ 676,083</u>	<u>\$ 103,429</u>	<u>\$ 16,658</u>	<u>\$ 4,738</u>	<u>\$ 15,401</u>	<u>\$ 816,309</u>

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

	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Beginning balance	\$ 26,137	\$ 54,291
Add: Impairment loss recognized for the current period	23,628	-
Less: Reversal of impairment loss for the current period	-	(20,427)
Foreign currency translation differences	<u>914</u>	<u>(768)</u>
Ending balance	<u>\$ 50,679</u>	<u>\$ 33,096</u>

11. Inventories

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Finished goods	\$ 351,388	\$ 480,661	\$ 313,348
Semi-finished product	2,312	2,677	3,102
Work in process	241,486	241,338	262,449
Supplies	<u>341,361</u>	<u>265,711</u>	<u>383,533</u>
	<u>\$ 936,547</u>	<u>\$ 990,387</u>	<u>\$ 962,432</u>

The nature of cost of goods sold is as follows:

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Cost of inventory sold	\$ 741,280	\$ 643,745	\$ 1,384,195	\$ 1,259,975
Inventory loss from price decline	<u>875</u>	<u>3,658</u>	<u>18,489</u>	<u>17,162</u>
	<u>\$ 742,155</u>	<u>\$ 647,403</u>	<u>\$ 1,402,684</u>	<u>\$ 1,277,137</u>

12. Non-current Assets or Disposal Groups Classified as Held For Sale

(1) Loss from 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 selling price exceeds the carrying amount of the relevant net assets, no impairment loss should be recognized when classifying these units as held for sale. This disposal plan is expected to be completed in Q2 2024, at which time control of Xiamen YoungTek Electronics Ltd. will be transferred to the acquirer.

The details of the discontinued operations' profit or loss and cash flows are as follows:

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Operating Revenue	\$ -	\$ -	\$ -	\$ 154
Operating costs	(258)	(1,524)	(500)	(3,364)
Operating gross loss	(258)	(1,524)	(500)	(3,210)
Selling expenses	(31)	(1)	(31)	(2)
Administrative expenses	(8,432)	(8,097)	(17,245)	(15,193)
Net other revenue and cost	<u>4,665</u>	<u>3,829</u>	<u>8,388</u>	<u>6,861</u>
Net operating loss	(4,056)	(5,793)	(9,388)	(11,544)
Interest revenue	4	104	17	256
Other revenue	17	-	58	143
Other gains and losses	(7)	(5,735)	(7)	(3,697)
Financial costs	(1,732)	(2,482)	(3,471)	(5,073)
Net loss before tax	(5,774)	(13,906)	(12,791)	(19,915)
Income tax expense	-	-	-	-
Loss from discontinued operations	<u>(\$ 5,774)</u>	<u>(\$ 13,906)</u>	<u>(\$ 12,791)</u>	<u>(\$ 19,915)</u>
Loss from discontinued operations belongs to :				
Owner of this company	(\$ 5,774)	(\$ 13,906)	(\$ 12,791)	(\$ 19,915)
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(\$ 5,774)</u>	<u>(\$ 13,906)</u>	<u>(\$ 12,791)</u>	<u>(\$ 19,915)</u>
Cash Flow				
Operating activities			(\$ 1,738)	(\$ 22,781)
Investing activities			(60)	-
Financing activities			-	(12,625)
Effects of Changes in Foreign Exchange Rates			<u>(2,090)</u>	<u>582</u>
Net cash outflow			<u>(\$ 3,888)</u>	<u>(\$ 34,824)</u>

Supplementary information on other profit or loss from discontinued operations is as follows:

1. Depreciation and Amortization

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Property, plant and equipment	\$ -	\$ 2,035	\$ 2,055	\$ 4,206
Right-of-use asset	-	150	151	302
Intangible assets	-	25	25	51
Total	<u>\$ -</u>	<u>\$ 2,210</u>	<u>\$ 2,231</u>	<u>\$ 4,559</u>
Depreciation expenses summarized by function				
Operating expenses	<u>\$ -</u>	<u>\$ 2,185</u>	<u>\$ 2,206</u>	<u>\$ 4,508</u>
Amortization expenses summarized by function				
Operating expenses	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 25</u>	<u>\$ 51</u>

2. Employee benefits expenses

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Other employee benefits	\$ 1,474	\$ 1,409	\$ 2,881	\$ 2,802
Total employee benefit expenses	<u>\$ 1,474</u>	<u>\$ 1,409</u>	<u>\$ 2,881</u>	<u>\$ 2,802</u>
Summarized by function				
Operating expenses	<u>\$ 1,474</u>	<u>\$ 1,409</u>	<u>\$ 2,881</u>	<u>\$ 2,802</u>

There is no income tax benefit or expense incurred in relation to loss from discontinued operations.

3. Disposal groups held for sale

	<u>June 30, 2024</u>
Assets of subsidiary	<u>\$ 120,314</u>
Liabilities directly associated with disposal groups held for sale	<u>\$ 151,970</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 Q2 2024. Therefore, as of June 30, 2024, 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:

	<u>June 30, 2024</u>
Cash and cash equivalents	\$ 6,285
Inventories	25
Other receivables	4,948
Other receivables – related parties (Note 32)	228
Other current assets	292
Net amount of property, plant and equipment	88,006
Right-of-use asset	20,386
Intangible assets	144
Total disposal groups held for sale	<u>\$ 120,314</u>
Accounts payable	\$ 315
Other payables	2,765
Current portion of long-term loans payable	<u>148,890</u>
Liabilities directly associated with disposal groups held for sale	<u>\$ 151,970</u>

13. Subsidiary

(1) Subsidiaries included in the consolidated financial statements

This consolidated financial statements are prepared for the following entities:

Company name of investment	Subsidiary name	Business nature	Percentage of shares held %			Instructions
			June 30, 2024	December 31, 2023	June 30, 2023	
The Company	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	Semiconductor equipment sales and OEM/ODM services	100.00	-	-	Note 1 and 6
YTEC Samoa Company	YTEC (Hong Kong) Global Limited	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)	The design of integrated circuits; testing, packaging, and processing of chips; technology development, technical services, and technical consulting in the field of semiconductors and integrated circuits; computer software design and development; sales of semiconductors, electronic products, electromechanical equipment, and electronic components; repair, rental, and sale of mechanical equipment; import and export of various goods and technologies, for self-operation or as agents.	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
	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

(Continued on next page)

(Continued from previous page)

Company name of investment	Subsidiary name	Business nature	Percentage of shares held %			Instructions
			June 30, 2024	December 31, 2023	June 30, 2023	
Suzhou YoungTek	Anhui Utest Electronics Ltd. (Anhui Utest)	Manufacture and sale of semiconductor device dedicated equipment; manufacture and sale of industrial automatic control computer software and hardware and auxiliary equipment; design and sale of integrated circuit chips and products; software development and sales; sale of semiconductors, electronic products, electronic components, electronic dedicated equipment; machinery equipment maintenance, rental; technical services, development, consulting, promotion.	100.00	100.00	-	Note 1 and 4

Note 1: Except for YTEC Samoa, YTEC HK and YTEC Xiamen, which were reviewed by accountants, the financial statements of other insignificant subsidiaries in the table above 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. The liquidation processes were completed 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 June 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 June 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		
	June 30, 2024	December 31, 2023	June 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		
	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023	June 30, 2024	December 31, 2023	June 30, 2023
Yangzhou YoungTek	<u>(\$ 10,162)</u>	<u>\$ 12,591</u>	<u>(\$ 19,570)</u>	<u>\$ 17,377</u>	<u>\$ 207,416</u>	<u>\$ 216,375</u>	<u>\$ 233,994</u>

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

	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 268,541	\$ 277,478	\$ 406,867
Non-current assets	140,974	148,173	151,286

(Continued on next page)

(Continued from previous page)

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>	
Current liabilities	(\$ 28,433)	(\$ 27,177)	(\$ 126,411)	
Non-current liabilities	(3,962)	(5,065)	(6,299)	
Equity	<u>\$ 377,120</u>	<u>\$ 393,409</u>	<u>\$ 425,443</u>	
Ownership belongs to:				
Owner of this company	\$ 169,704	\$ 177,034	\$ 191,449	
Non-controlling interests of subsidiaries	<u>207,416</u>	<u>216,375</u>	<u>233,994</u>	
	<u>\$ 377,120</u>	<u>\$ 393,409</u>	<u>\$ 425,443</u>	
	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Operating Revenue	<u>\$ 30,159</u>	<u>\$ 135,148</u>	<u>\$ 63,100</u>	<u>\$ 254,925</u>
Net profit (loss) for the current period	(\$ 18,477)	\$ 22,892	(\$ 35,582)	\$ 31,594
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>(\$ 18,477)</u>	<u>\$ 22,892</u>	<u>(\$ 32,582)</u>	<u>\$ 31,594</u>
Net (loss) profit attributable to:				
Owner of this company	(\$ 8,315)	\$ 10,301	(\$ 16,012)	\$ 14,217
Non-controlling interests of subsidiaries	<u>(10,162)</u>	<u>12,591</u>	<u>(19,570)</u>	<u>17,377</u>
	<u>(\$ 18,477)</u>	<u>\$ 22,892</u>	<u>(\$ 35,582)</u>	<u>\$ 31,594</u>
Total comprehensive income attributable to:				
Owner of this company	(\$ 8,315)	\$ 10,301	(\$ 16,012)	\$ 14,217
Non-controlling interests of subsidiaries	<u>(10,162)</u>	<u>12,591</u>	<u>(19,570)</u>	<u>17,377</u>
	<u>(\$ 18,477)</u>	<u>\$ 22,892</u>	<u>(\$ 35,582)</u>	<u>\$ 31,594</u>
Cash Flow				
Operating activities			(\$ 22,132)	(\$ 12,806)
Investing activities			(331)	8,550
Financing activities			(1,860)	(1,234)
Effects of Changes in Foreign Exchange Rates			<u>18,787</u>	<u>(10,056)</u>
Net cash outflow			<u>(\$ 5,536)</u>	<u>(\$ 15,546)</u>

14. Investments accounted for using equity method

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Investments in Associates	<u>\$ 163,058</u>	<u>\$ 163,558</u>	<u>\$ 173,968</u>
<u>Individually insignificant associated companies</u>			
Tian Zheng International Precision Machinery Co., Ltd. (Tian Zheng)	\$ 136,947	\$ 135,992	\$ 145,420
Sissca Co., Ltd.(Sissca)	<u>26,111</u>	<u>27,566</u>	<u>28,548</u>
	<u>\$ 163,058</u>	<u>\$ 163,558</u>	<u>\$ 173,968</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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Tian Zheng	14.60%	14.60%	14.60%
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 carrying amount and share of profit or loss and other comprehensive income of investments accounted for using the equity method were calculated based on the investees' unreviewed financial statements.

15. Property, plant and equipment

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
For personal use	\$ 2,036,876	\$ 2,165,441	\$ 2,383,956
Operating lease	57,617	59,094	60,572
	<u>\$ 2,094,493</u>	<u>\$ 2,224,535</u>	<u>\$ 2,444,528</u>

(1) For personal use

	<u>Own land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Testing equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Other devices</u>	<u>Equipment awaiting inspection and ongoing projects</u>	<u>Total</u>
<u>Cost</u>										
Balance on January 01, 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	-	2,455	69,363	-	-	856	870	5,983	-	79,527
Disposal	-	-	(61,885)	(20,055)	-	-	(5,334)	-	(24,915)	(112,189)
Reclassification	-	594	104,299	112	-	-	-	-	(19,414)	85,591
Reclassified to disposal groups held for sale	-	(166,924)	(1,078,717)	-	(31)	(42,257)	-	-	(7,773)	(1,295,702)
Net exchange differences	-	7,992	84,558	-	164	2,552	-	925	373	96,564
Balance on June 30, 2024	<u>\$ 42,101</u>	<u>\$ 1,037,357</u>	<u>\$ 7,151,454</u>	<u>\$ 34,830</u>	<u>\$ 12,793</u>	<u>\$ 22,398</u>	<u>\$ 18,279</u>	<u>\$ 210,110</u>	<u>\$ 71,485</u>	<u>\$ 8,600,807</u>
<u>Accumulated depreciation</u>										
Balance on January 01, 2024	\$ -	\$ 807,988	\$ 6,190,380	\$ 52,107	\$ 10,191	\$ 59,607	\$ 7,930	\$ 140,718	\$ -	\$ 7,268,921
Addition	-	27,736	164,267	1,057	740	631	1,397	8,627	-	204,455
Disposal	-	-	(59,336)	(20,055)	-	-	(5,015)	-	-	(84,406)
Reclassification	-	-	(4,496)	-	-	-	-	-	-	(4,496)
Reclassified to disposal groups held for sale	-	(86,777)	(836,000)	-	(31)	(42,170)	-	-	-	(964,978)
Net exchange differences	-	4,113	56,842	-	139	2,468	-	525	-	64,087
Balance on June 30, 2024	<u>\$ -</u>	<u>\$ 753,060</u>	<u>\$ 5,511,657</u>	<u>\$ 33,109</u>	<u>\$ 11,039</u>	<u>\$ 20,536</u>	<u>\$ 4,312</u>	<u>\$ 149,870</u>	<u>\$ -</u>	<u>\$ 6,483,583</u>
<u>Accumulated impairment</u>										
Balance on January 01, 2024	\$ -	\$ -	\$ 312,654	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 312,654
Disposal	-	-	(2,112)	-	-	-	-	-	-	(2,112)
Reclassified to disposal groups held for sale	-	-	(242,718)	-	-	-	-	-	-	(242,718)
Net exchange differences	-	-	12,524	-	-	-	-	-	-	12,524
Balance on June 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,348</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,348</u>
Net amount on June 30, 2024	<u>\$ 42,101</u>	<u>\$ 284,297</u>	<u>\$ 1,559,449</u>	<u>\$ 1,721</u>	<u>\$ 1,754</u>	<u>\$ 1,862</u>	<u>\$ 13,967</u>	<u>\$ 60,240</u>	<u>\$ 71,485</u>	<u>\$ 2,036,876</u>
<u>Cost</u>										
Balance on January 01, 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	-	4,157	117,282	-	-	268	14,950	7,779	102,991	247,427
Disposal	-	(50)	(231,973)	-	-	-	-	(472)	-	(232,495)
Reclassification	-	14,658	51,068	-	-	-	-	-	(25,294)	40,432
Net exchange differences	-	(3,659)	(37,968)	-	(76)	(1,163)	-	(363)	(44)	(43,273)
Balance on June 30, 2023	<u>\$ 28,893</u>	<u>\$ 1,161,273</u>	<u>\$ 8,025,752</u>	<u>\$ 55,685</u>	<u>\$ 14,031</u>	<u>\$ 60,851</u>	<u>\$ 22,054</u>	<u>\$ 181,748</u>	<u>\$ 185,920</u>	<u>\$ 9,736,207</u>
<u>Accumulated depreciation</u>										
Balance on January 01, 2023	\$ -	\$ 738,106	\$ 6,044,580	\$ 51,245	\$ 9,982	\$ 58,839	\$ 4,411	\$ 128,733	\$ -	\$ 7,035,896
Addition	-	29,117	225,104	1,336	863	754	1,642	6,477	-	265,293
Disposal	-	(50)	(230,443)	-	-	-	-	(7)	-	(230,500)
Reclassification	-	-	(1,826)	-	-	548	-	(548)	-	(1,826)
Net exchange differences	-	(1,766)	(25,169)	-	(56)	(1,121)	-	(209)	-	(28,321)
Balance on June 30, 2023	<u>\$ -</u>	<u>\$ 765,407</u>	<u>\$ 6,012,246</u>	<u>\$ 52,581</u>	<u>\$ 10,789</u>	<u>\$ 59,070</u>	<u>\$ 6,053</u>	<u>\$ 134,446</u>	<u>\$ -</u>	<u>\$ 7,040,542</u>
<u>Accumulated impairment</u>										
Balance on January 01, 2023	\$ -	\$ -	\$ 317,461	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 317,461
Net exchange differences	-	-	(5,752)	-	-	-	-	-	-	(5,752)
Balance on June 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 311,709</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 311,709</u>
Net amount on June 30, 2023	<u>\$ 28,893</u>	<u>\$ 395,866</u>	<u>\$ 1,701,797</u>	<u>\$ 3,104</u>	<u>\$ 3,242</u>	<u>\$ 1,831</u>	<u>\$ 16,001</u>	<u>\$ 47,302</u>	<u>\$ 185,920</u>	<u>\$ 2,383,956</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	15 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

No impairment losses were recognized for the periods from January 1 to June 30, 2024 and 2023.

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 June 30, 2024	\$ 106,362
<u>Accumulated depreciation</u>	
Balance on January 01, 2024	\$ 47,268
Depreciation expense	<u>1,477</u>
Balance on June 30, 2024	<u>\$ 48,745</u>
Net amount on June 30, 2024	<u>\$ 57,617</u>
<u>Cost</u>	
Balance on January 1 and June 30, 2023	\$ 106,362
<u>Accumulated depreciation</u>	
Balance on January 01, 2023	\$ 44,313
Depreciation expense	<u>1,477</u>
Balance on June 30, 2023	<u>\$ 45,790</u>
Net amount on June 30, 2023	<u>\$ 60,572</u>

The Group 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 June 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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Year 1	\$ 29,988	\$ 29,838	\$ 29,838

Year 2	30,092	30,070	29,943
Year 3	30,091	30,091	30,092
Year 4	17,553	30,091	30,092
Year 5	-	2,508	17,554
	<u>\$ 107,724</u>	<u>\$ 122,598</u>	<u>\$ 137,519</u>

The Group 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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Carrying amount of right-of-use assets			
Land	\$ 187,728	\$ 173,253	\$ 178,854
Building	<u>19,866</u>	<u>26,973</u>	<u>34,484</u>
	<u>\$ 207,594</u>	<u>\$ 200,226</u>	<u>\$ 213,338</u>

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Addition of right-of-use assets			<u>\$ 39,283</u>	<u>\$ 62,476</u>
Depreciation expense of right-of-use assets				
Land	\$ 2,643	\$ 2,204	\$ 5,401	\$ 5,723
Building	<u>3,423</u>	<u>4,703</u>	<u>7,478</u>	<u>7,941</u>
	<u>\$ 6,066</u>	<u>\$ 6,907</u>	<u>\$ 12,879</u>	<u>\$ 13,664</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 June 30, 2024 and 2023.

(2) Lease liabilities

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Lease liabilities carrying amount			
Current	<u>\$ 16,462</u>	<u>\$ 20,818</u>	<u>\$ 22,894</u>
Non-current	<u>\$ 187,143</u>	<u>\$ 154,853</u>	<u>\$ 164,722</u>

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 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 June 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

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Short-term lease expenses	<u>\$ 4,847</u>	<u>\$ 3,280</u>	<u>\$ 11,342</u>	<u>\$ 6,622</u>
Total cash outflow for leases			<u>(\$ 25,850)</u>	<u>(\$ 21,557)</u>

17. Investment property

Finished investment properties	January 1 to June 30, 2024			Ending balance
	Beginning balance	This year's increase	This year's decrease	
<u>Cost</u>				
Buildings	\$ 6,356	\$ -	\$ -	\$ 6,356
<u>Accumulated depreciation</u>				
Buildings	4,669	\$ 65	\$ -	4,734
Net amount	<u>\$ 1,687</u>			<u>\$ 1,622</u>

Finished investment properties	January 1 to June 30, 2023			Ending balance
	Beginning balance	This year's increase	This year's decrease	
<u>Cost</u>				
Land	\$ 13,208	\$ -	\$ -	\$ 13,208
Buildings	33,633	-	(2,465)	31,168
Total	46,841	\$ -	(\$ 2,465)	44,376
<u>Accumulated depreciation</u>				
Buildings	24,870	\$ 459	(\$ 2,465)	22,864
Net amount	<u>\$ 21,971</u>			<u>\$ 21,512</u>

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 June 30, 2024, December 31, 2023, and June 30, 2023, the security deposits received by the consolidated company for operating lease contracts of investment properties were all 154 thousand dollars.

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

	June 30, 2024	December 31, 2023	June 30, 2023
Year 1	\$ 45	\$ 180	\$ 360
Year 2	-	-	90
	<u>\$ 45</u>	<u>\$ 180</u>	<u>\$ 450</u>

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 Group'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:

	June 30, 2024	December 31, 2023	June 30, 2023
Fair value	<u>\$ 6,260</u>	<u>\$ 6,260</u>	<u>\$ 25,325</u>

All investment properties of the Group are owned by equity.

18. Intangible assets

	<u>Computer software cost</u>	<u>Goodwill</u>	<u>Patents</u>	<u>Others</u>	<u>Total</u>
<u>Cost</u>					
Balance on January 01, 2024	\$ 44,719	\$ 2,583	\$ 68,157	\$ 16,446	\$ 131,905
Retrieved individually	15,617	-	-	-	15,617
Reclassified to disposal groups held for sale	(1,144)	-	-	-	(1,144)
Net exchange differences	<u>143</u>	<u>-</u>	<u>-</u>	<u>142</u>	<u>285</u>
Balance on June 30, 2024	<u>\$ 59,335</u>	<u>\$ 2,583</u>	<u>\$ 68,157</u>	<u>\$ 16,588</u>	<u>\$ 146,663</u>
<u>Accumulated amortization</u>					
Balance on January 01, 2024	\$ 29,955	\$ -	\$ 55,994	\$ 15,743	\$ 101,692
Amortization expense	3,551	-	3,016	577	7,144
Reclassified to disposal groups held for sale	(1,000)	-	-	-	(1,000)
Net exchange differences	<u>131</u>	<u>-</u>	<u>-</u>	<u>142</u>	<u>273</u>
Balance on June 30, 2024	<u>\$ 32,637</u>	<u>\$ -</u>	<u>\$ 59,010</u>	<u>\$ 16,462</u>	<u>\$ 108,109</u>
Net amount on June 30, 2024	<u>\$ 26,698</u>	<u>\$ 2,583</u>	<u>\$ 9,147</u>	<u>\$ 126</u>	<u>\$ 38,554</u>
<u>Cost</u>					
Balance on January 01, 2023	\$ 34,052	\$ 2,583	\$ 68,157	\$ 16,494	\$ 121,286
Retrieved individually	1,580	-	-	-	1,580
Net exchange differences	(65)	-	-	(65)	(130)
Reclassification	<u>1,090</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,090</u>
Balance on June 30, 2023	<u>\$ 36,657</u>	<u>\$ 2,583</u>	<u>\$ 68,157</u>	<u>\$ 16,429</u>	<u>\$ 123,826</u>
<u>Accumulated amortization</u>					
Balance on January 01, 2023	\$ 25,988	\$ -	\$ 49,949	\$ 14,507	\$ 90,444
Amortization expense	1,811	-	3,026	646	5,483
Net exchange differences	(54)	-	-	(65)	(119)
Balance on June 30, 2023	<u>\$ 27,745</u>	<u>\$ -</u>	<u>\$ 52,975</u>	<u>\$ 15,088</u>	<u>\$ 95,808</u>
Net amount on June 30, 2023	<u>\$ 8,912</u>	<u>\$ 2,583</u>	<u>\$ 15,182</u>	<u>\$ 1,341</u>	<u>\$ 28,018</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:

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Operating costs	\$ 781	\$ 472	\$ 1,452	\$ 852
Administrative expenses	455	349	870	728
Research and development costs	2,482	1,909	4,797	3,852
Loss from discontinued operations	<u>-</u>	<u>25</u>	<u>25</u>	<u>51</u>
	<u>\$ 3,718</u>	<u>\$ 2,755</u>	<u>\$ 7,144</u>	<u>\$ 5,483</u>

19. Other assets

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Prepayments	\$ 152,800	\$ 163,881	\$ 97,535
Office supplies	38,353	43,990	44,009
Overpaid sales tax	12,758	16,117	339
Guarantee deposits paid (Note 16)	3,596	2,076	2,076
Guarantee deposits paid to related parties (Note 32)	1,000	1,030	1,030
Others (Note)	2,371	2,403	2,079
	<u>\$ 210,878</u>	<u>\$ 229,497</u>	<u>\$ 147,068</u>
Current	\$ 206,282	\$ 226,391	\$ 143,962
Non-current	4,596	3,106	3,106
	<u>\$ 210,878</u>	<u>\$ 229,497</u>	<u>\$ 147,068</u>

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

20. Borrowing

(1) Long-term borrowings

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Secured loan (Note 33)</u>			
Bank loan	\$ -	\$ 141,761	\$ 140,924
Less: Listed as part due within one year	-	-	-
Long-term borrowings	<u>\$ -</u>	<u>\$ 141,761</u>	<u>\$ 140,924</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 June 30, 2023, the effective interest rates were 4.12% and 3.31% respectively. This represents the borrowings of YTEC Xiamen. The balance as of June 30, 2024 has been reclassified to liabilities directly associated with disposal groups held for sale (Note 12).

21. Notes and accounts payable

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Accounts payable</u>			
Arising from business operations	<u>\$ 381,978</u>	<u>\$ 326,257</u>	<u>\$ 290,918</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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Current</u>			
Other payables			
Payroll and bonuses	\$ 124,507	\$ 111,173	\$ 119,039
Employee compensation payable (Note 27)	93,076	164,595	133,190
Payable on machinery and equipment	46,681	64,801	37,735
Compensation due to directors and supervisors (Note 27)	8,253	5,320	9,790
Accounts payable to related parties (Note 32)	-	-	4,549
Others (Note)	89,174	47,860	77,891
	<u>\$ 361,691</u>	<u>\$ 393,749</u>	<u>\$ 382,194</u>
<u>Other liabilities</u>			
Others (Temporary Receipts and Collections on Behalf)	<u>\$ 5,791</u>	<u>\$ 11,016</u>	<u>\$ 5,611</u>

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

23. Provisions for liabilities

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Current</u>			
Employee benefits (1)	\$ 5,637	\$ 4,902	\$ 4,996
Warranty (2)	961	1,072	16,398
	<u>\$ 6,598</u>	<u>\$ 5,974</u>	<u>\$ 21,394</u>
	<u>Employee benefits</u>	<u>Warranty</u>	<u>Total</u>
Balance on January 01, 2024	\$ 4,902	\$ 1,072	\$ 5,974
Added this period	5,637	669	6,306
Current period turnover/usage	(4,902)	(780)	(5,682)
Balance on June 30, 2024	<u>\$ 5,637</u>	<u>\$ 961</u>	<u>\$ 6,598</u>
Balance on January 01, 2023	\$ 5,824	\$ 19,575	\$ 25,399
Added this period	4,996	7,800	12,796
Current period turnover/usage	(5,824)	(10,977)	(16,801)
Balance on June 30, 2023	<u>\$ 4,996</u>	<u>\$ 16,398</u>	<u>\$ 21,394</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 April 1 to June 30, 2024 and 2023, and January 1 to June 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\$(89) thousand, NT\$(56) thousand, NT\$(177) thousand, and NT\$(110) thousand, respectively.

25. Equity

(1) Share Capital

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Authorized Capital (Thousand Shares)	150,000	150,000	150,000
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)	128,498	128,498	128,498
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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 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	49,219
Recognition of changes in the ownership interests of subsidiaries	8,514	8,514	8,514
Donated assets	214	179	182
	<u>\$ 2,439,404</u>	<u>\$ 2,439,724</u>	<u>\$ 2,443,011</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 legal 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 June 30, 2024</u>	<u>January 1 to June 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>)	-
Ending balance	\$ <u>17,785</u>	\$ <u>32,695</u>

(5) Other Equity Interest Items

1. Exchange differences on translation of foreign financial statements

	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Beginning balance	(\$ <u>91,401</u>)	(\$ <u>81,802</u>)
Current period generation		
Translation differences of foreign operating entities	<u>24,710</u>	(<u>12,787</u>)
Other comprehensive income for the period	<u>24,710</u>	(<u>12,787</u>)
Ending balance	(\$ <u>66,691</u>)	(\$ <u>94,589</u>)

2. Unrealized gains and losses from financial assets measured at fair value through other comprehensive income

	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Beginning balance	\$ 73,616	\$ 49,107
Current period generation		
Unrealized gains or losses		
Equity instrument	(20,199)	82,012
Share of associates accounted for using equity method	3,073	-
Ending balance	<u>\$ 56,490</u>	<u>\$ 131,119</u>

(6) Non-controlling interests

	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Beginning balance	\$ 216,375	\$ 221,990
Profit (loss) for the current period	(19,570)	17,377
Other comprehensive income for the period		
Exchange differences on translation of foreign financial statements	10,611	(5,373)
Ending balance	<u>\$ 207,416</u>	<u>\$ 233,994</u>

26. Revenue

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023(Revised)</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023 (Revised)</u>
Revenue from contracts with customers				
Processing income	\$ 633,916	\$ 652,970	\$ 1,239,699	\$ 1,222,522
Sales revenue	446,690	111,145	729,345	284,751
Other revenue	60,376	103,886	109,066	204,400
	<u>\$ 1,140,982</u>	<u>\$ 868,001</u>	<u>\$ 2,078,110</u>	<u>\$ 1,711,673</u>

(1) Contract balance

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>	<u>January 01, 2023</u>
Accounts receivable (Note 10)	<u>\$ 1,012,303</u>	<u>\$ 997,015</u>	<u>\$ 816,309</u>	<u>\$ 749,055</u>
Contract liability				
Current contract liability	\$ 97,816	\$ 171,960	\$ 57,286	\$ 71,031
Contract liability-Related parties (Note 32)	1,140	-	-	-
	<u>\$ 98,956</u>	<u>\$ 171,960</u>	<u>\$ 57,286</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 period is as follows:

	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
<u>From contract liabilities at the beginning of the year</u>		
Product sales	<u>\$ 131,458</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

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023(Revised)</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023 (Revised)</u>
Operating lease rental income	\$ 4,555	\$ 8,613	\$ 16,784	\$ 17,153
Gains on disposals of property, plant and equipment	6,472	4,556	4,046	9,696
Depreciation expense on leased assets	(738)	(738)	(1,477)	(1,477)
Depreciation expense on investment property	(32)	(230)	(65)	(459)
	<u>\$ 10,257</u>	<u>\$ 12,201</u>	<u>\$ 19,288</u>	<u>\$ 24,913</u>

(2) Interest Revenue

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023(Revised)</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023 (Revised)</u>
Cash in banks	<u>\$ 13,618</u>	<u>\$ 14,228</u>	<u>\$ 23,885</u>	<u>\$ 22,908</u>

(3) Other Revenue

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023(Revised)</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023 (Revised)</u>
Others	<u>\$ 201</u>	<u>\$ 586</u>	<u>\$ 920</u>	<u>\$ 2,830</u>

(4) Other Gains and Losses

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023(Revised)</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023 (Revised)</u>
Net foreign exchange gains (losses)	\$ 14,906	(\$ 6,659)	\$ 53,152	(\$ 11,957)
Others	(3,039)	(503)	(3,581)	1,918
	<u>\$ 11,867</u>	<u>(\$ 7,162)</u>	<u>\$ 49,571</u>	<u>(\$ 10,039)</u>

(5) Financial Costs

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023(Revised)</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023 (Revised)</u>
Interest on lease liabilities	\$ 1,414	\$ 1,341	\$ 2,779	\$ 2,588
Bank loan interest	-	4,772	-	4,772
Other interest expense	323	11	336	22
	<u>\$ 1,737</u>	<u>\$ 6,124</u>	<u>\$ 3,115</u>	<u>\$ 7,382</u>

(6) Depreciation and Amortization

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023(Revised)</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023 (Revised)</u>
Property, plant and equipment	\$ 106,707	\$ 140,776	\$ 203,877	\$ 262,564
Right-of-use asset	6,066	6,757	12,728	13,362
Investment property	32	230	65	459
Intangible assets	<u>3,718</u>	<u>2,730</u>	<u>7,119</u>	<u>5,432</u>
Total	<u>\$ 116,523</u>	<u>\$ 150,493</u>	<u>\$ 223,789</u>	<u>\$ 281,817</u>
Depreciation expenses summarized by function				
Operating costs	\$ 104,676	\$ 138,987	\$ 198,306	\$ 259,377
Operating expenses	7,359	7,808	16,822	15,072
Other operating income and expenses	<u>770</u>	<u>968</u>	<u>1,542</u>	<u>1,936</u>
	<u>\$ 112,805</u>	<u>\$ 147,763</u>	<u>\$ 216,670</u>	<u>\$ 276,385</u>
Amortization expenses summarized by function				
Operating costs	\$ 806	\$ 472	\$ 1,452	\$ 852
Operating expenses	<u>2,912</u>	<u>2,258</u>	<u>5,667</u>	<u>4,580</u>
	<u>\$ 3,718</u>	<u>\$ 2,730</u>	<u>\$ 7,119</u>	<u>\$ 5,432</u>

(7) Employee Benefits Expenses

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023(Revised)</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023 (Revised)</u>
Post-employment benefits				
Defined contribution plans	\$ 9,917	\$ 10,039	\$ 19,923	\$ 20,241
Defined benefit plans (Note 24)	<u>(89)</u>	<u>(56)</u>	<u>(177)</u>	<u>(110)</u>
	9,828	9,983	19,746	20,131
Other employee benefits	<u>315,007</u>	<u>278,233</u>	<u>609,124</u>	<u>544,023</u>
Total employee benefit expenses	<u>\$ 324,835</u>	<u>\$ 288,216</u>	<u>\$ 628,870</u>	<u>\$ 564,154</u>
Summarized by function				
Operating costs	\$ 202,078	\$ 186,877	\$ 393,730	\$ 360,599
Operating expenses	<u>122,757</u>	<u>101,339</u>	<u>235,140</u>	<u>203,555</u>
	<u>\$ 324,835</u>	<u>\$ 288,216</u>	<u>\$ 628,870</u>	<u>\$ 564,154</u>

(8) Employee 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 April 1 to June 30, 2024 and 2023, and January 1 to June 30, 2024 and 2023 were as follows:

Percentage estimation

	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Employee compensation	8.11%	9.13%
Director's Remuneration	0.70%	0.79%

Amount

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Employee compensation	\$ 24,318	\$ 7,531	\$ 34,076	\$ 14,990
Director's Remuneration	\$ 2,093	\$ 648	\$ 2,933	\$ 1,290

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	\$ 59,000	\$ 118,200
Director's Remuneration	\$ 5,320	\$ 8,500

The actual distribution amounts of employee compensation and directors' and supervisors' 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 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>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023(Revised)</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023 (Revised)</u>
Total foreign exchange gain	\$ 14,906	\$ 18,411	\$ 60,240	\$ 27,709
Total foreign exchange loss	-	(25,070)	(7,088)	(39,666)
Net income (loss)	<u>\$ 14,906</u>	<u>(\$ 6,659)</u>	<u>\$ 53,152</u>	<u>(\$ 11,957)</u>

28. Income Tax

(1) Income tax recognized in profit or loss

The main components of income tax expense are as follows:

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Current income tax				
Producer for the current				
period	\$ 46,560	\$ 52,857	\$ 90,266	\$ 10,608
Prior year adjustments	-	(29,802)	-	(29,802)
Deferred tax				
Producer for the current				
period	<u>6,919</u>	<u>(10,124)</u>	<u>252</u>	<u>21,296</u>
Income tax expense				
recognized in profit or				
loss	<u>\$ 53,479</u>	<u>\$ 12,931</u>	<u>\$ 90,518</u>	<u>\$ 2,102</u>

(2) Circumstances of Income Tax Assessment

For the Company's profit-seeking enterprise income tax filing, tax cases up to and prior to 2021 have been assessed by the tax collection authorities.

29. Earnings per Share

Unit: NT\$ Per Share

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Basic earnings per share				
From continuing operations				
department	\$ 1.50	\$ 0.49	\$ 2.45	\$ 1.26
From discontinued operations	<u>(0.04)</u>	<u>(0.11)</u>	<u>(0.10)</u>	<u>(0.15)</u>
Total basic earnings per share	<u>\$ 1.46</u>	<u>\$ 0.38</u>	<u>\$ 2.35</u>	<u>\$ 1.11</u>
Diluted earnings per share				
From continuing operations				
department	\$ 1.49	\$ 0.48	\$ 2.43	\$ 1.26
From discontinued operations	<u>(0.04)</u>	<u>(0.10)</u>	<u>(0.10)</u>	<u>(0.15)</u>
Total diluted earnings per share	<u>\$ 1.45</u>	<u>\$ 0.38</u>	<u>\$ 2.33</u>	<u>\$ 1.11</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

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Net profit attributable to owners				
of the Company	\$ 193,167	\$ 62,352	\$ 314,301	\$ 163,068
Less: Loss from discontinued				
operations used in the				
calculation of basic earnings				
per share from discontinued				
operations	<u>(5,774)</u>	<u>(13,906)</u>	<u>(12,791)</u>	<u>(19,915)</u>
Net profit used in the calculation				
of basic earnings per share				
from continuing operations	187,393	48,446	301,510	143,153
Potential impact of dilutive				
ordinary shares	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net profit used in the calculation				
of diluted earnings per share				
from continuing operations	<u>\$ 187,393</u>	<u>\$ 48,446</u>	<u>\$ 301,510</u>	<u>\$ 143,153</u>

Number of Shares

Unit: Thousand Shares

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
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>430</u>	<u>226</u>	<u>795</u>	<u>961</u>
The weighted average number of common shares used to calculate diluted earnings per share	<u>128,928</u>	<u>128,724</u>	<u>129,293</u>	<u>129,459</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 June 30, 2024 and 2023:

- (1) From January 1 to June 30, 2024 and 2023, the Group reclassified inventories of NT\$93,006 thousand and NT\$49,534 thousand, respectively, to property, plant and equipment. Additionally, from January 1 to June 30, 2024 and 2023, the Group reclassified net property, plant and equipment of NT\$2,919 thousand (cost NT\$7,415 thousand less accumulated depreciation NT\$4,496 thousand) and NT\$6,168 thousand (cost NT\$8,012 thousand less accumulated depreciation NT\$1,826 thousand), respectively, to inventories. During the period from January 1 to June 30, 2023, the Group reclassified property, plant and equipment with a net amount of NT\$1,090 thousand (construction in progress and equipment to be inspected) to intangible assets (refer to 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

June 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	\$ -	\$ -	\$ 14,549	\$ 14,549
<u>Financial assets measured at fair value through other comprehensive income</u>				
Equity instrument investment				
TWSE/TPEX stocks and emerging stocks	\$ 365,106	\$ -	\$ -	\$ 365,106
-Domestic unlisted stocks	-	-	5,000	5,000
-Foreign unlisted stocks	-	-	97,632	97,632
Total	<u>\$ 365,106</u>	<u>\$ -</u>	<u>\$ 102,632</u>	<u>\$ 467,738</u>
<u>Financial liability measured at fair value through profit or loss</u>				
Derivative instruments	\$ -	\$ 2,091	\$ -	\$ 2,091

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				
TWSE/TPEX stocks and emerging 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>

June 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				
TWSE/TPEX stocks and emerging stocks	\$ 362,612	\$ -	\$ -	\$ 362,612
-Domestic unlisted stocks	-	-	5,000	5,000
-Foreign unlisted stocks	-	-	177,828	177,828
Total	<u>\$ 362,612</u>	<u>\$ -</u>	<u>\$ 182,828</u>	<u>\$ 545,440</u>

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

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

January 1 to June 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)	(275)	-	(275)
Recognized in other comprehensive income (unrealized valuation of financial assets measured at fair value through other comprehensive income)	-	(5,861)	(5,861)
Ending balance	<u>\$ 14,549</u>	<u>\$ 102,632</u>	<u>\$ 117,181</u>

January 1 to June 30, 2023

	Equity instruments measured at fair value through other comprehensive income
Beginning balance	\$ 211,465
Recognized in other comprehensive income (unrealized valuation of financial assets measured at fair value through other comprehensive income)	(28,637)
Ending balance	<u>\$ 182,828</u>

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

<u>Financial Instrument Categories</u>	<u>Valuation Techniques and Inputs</u>
Derivatives - Forward exchange contracts	Discounted cash flow method: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Financial asset</u>			
Measured at fair value through profit or loss			
Mandatorily measured at fair value through profit or loss	\$ 14,549	\$ 14,824	\$ -
Financial assets at amortized cost (Note 1)	4,205,133	3,835,971	3,814,328
Financial assets measured at fair value through other			

comprehensive income			
Equity instrument investment	467,738	487,937	545,440
<u>Financial liability</u>			
Measured at fair value through profit or loss			
Mandatorily measured at fair value through profit or loss	2,091	-	-
Measured at amortized cost (Note 2)	664,590	570,107	541,215

Note 1: The balance includes cash and cash equivalents, notes receivable and accounts receivable (including related party amounts), other receivables (including related party amounts), and restricted assets measured at amortized cost that are included as financial assets. The balance includes relevant asset balances reclassified 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 relevant liability balances reclassified 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 Group 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 NTD 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 USD		The Impact of the Chinese Renminbi		The Impact of the Japanese Yen	
	January 1 to June 30, 2024	January 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
	Net income (loss) before tax	<u>(\$ 25,778)</u>	<u>(\$ 27,311)</u>	<u>(\$ 45,297)</u>	<u>(\$ 14,470)</u>	<u>(\$ 2,155)</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.

(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:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
With fair value interest rate risk			
-Financial asset	\$ 2,200,211	\$ 1,707,442	\$ 2,264,376
-Financial liability	203,605	175,671	187,616
Cash flow interest rate risk			
-Financial asset	768,330	954,208	590,703
-Financial liability	148,890	141,761	140,924

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 June 30, 2024 and 2023 will decrease/increase by NT\$310 thousand and NT\$225 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 June 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 June 30, 2024 and 2023, pre-tax other comprehensive income will increase/decrease by NT\$4,677 thousand and NT\$5,454 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 Group 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 June 30, 2024 and December 31 to June 30, 2023, the percentages of total accounts receivable from the aforementioned customers were 32%, 34% and 45%, 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 Group 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 Group 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.

June 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	\$ 332,822	\$ 334,376	\$ 78,363	\$ 7,084	\$ -
Floating rate instrument	-	-	149,236	-	-
Lease liabilities	<u>2,307</u>	<u>4,570</u>	<u>14,959</u>	<u>58,086</u>	<u>174,448</u>
	<u>\$ 335,129</u>	<u>\$ 338,946</u>	<u>\$ 242,558</u>	<u>\$ 65,170</u>	<u>\$ 174,448</u>

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

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 years or more
Lease liabilities	<u>\$ 21,836</u>	<u>\$ 58,086</u>	<u>\$ 67,607</u>	<u>\$ 67,595</u>	<u>\$ 39,246</u>	<u>\$ -</u>

December 31, 2023

	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	\$ 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>

June 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	\$ 403,921	\$ 223,287	\$ 45,972	\$ 7,084	\$ -
Floating rate instrument	-	-	-	141,209	-
Lease liabilities	<u>2,517</u>	<u>4,989</u>	<u>20,395</u>	<u>56,310</u>	<u>149,773</u>
	\$ <u>406,438</u>	\$ <u>228,276</u>	\$ <u>66,367</u>	\$ <u>204,603</u>	\$ <u>149,773</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>27,901</u>	\$ <u>56,310</u>	\$ <u>55,257</u>	\$ <u>55,257</u>	\$ <u>39,259</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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Unsecured overdraft facility			
- 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>141,761</u>	\$ <u>140,924</u>

The unsecured bank credit lines utilized as of June 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

(2) Operating Revenue

<u>Account Items</u>	<u>Category of related parties</u>	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Operating Revenue	Other related parties	<u>\$ 11,736</u>	<u>\$ 8,710</u>	<u>\$ 20,064</u>	<u>\$ 46,697</u>

The Group 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>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Associate	\$ 97	\$ 65	\$ 195	\$ 65
Other related parties	<u>14</u>	<u>-</u>	<u>14</u>	<u>-</u>
	<u>\$ 111</u>	<u>\$ 65</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 – Related Parties and Other Receivables – Related Parties

<u>Account Items</u>	<u>Category of related parties</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Notes and accounts receivable due from related parties	Other related parties Harvatek	\$ 94,217	\$ 93,200	\$ 92,922
	Others	<u>1,847</u>	<u>8</u>	<u>23</u>
		<u>\$ 96,064</u>	<u>\$ 93,208</u>	<u>\$ 92,945</u>

Notes receivable and accounts receivable from related parties outstanding were not secured. For the periods from January 1 to June 30, 2024 and 2023, no bad debt expense was recognized for the amounts due from related parties.

<u>Account Items</u>	<u>Category of related parties</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other receivables – related parties	Other related parties			
(Disposal groups classified as held for sale)	Harvatek	\$ <u>228</u>	\$ <u>-</u>	\$ <u>-</u>

(5) Accounts Payable – Related Parties and Other Payables

<u>Account Items</u>	<u>Category of related parties</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Accounts payable to related parties	Associate			
	Tian-Zheng International	\$ 103	\$ 15	\$ 68
	Other related parties			
	Harvatek	14	-	-
		\$ <u>117</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 provided for the accounts payable to related parties.

<u>Account Items</u>	<u>Category of related parties</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other payables from related parties	Other related parties			
(Listed as other payables)	Harvatek	\$ <u>2,310</u>	\$ <u>-</u>	\$ <u>-</u>
Equipment payable (listed as other payables)	Other related parties			
	Harvatek	\$ <u>-</u>	\$ <u>-</u>	\$ <u>4,549</u>

(6) Acquisition of Property, Plant and Equipment

<u>Category of related parties</u>	<u>Obtain payment</u>	
	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Other related parties	\$ <u>-</u>	\$ <u>4,300</u>

(7) Lease Agreement

<u>Account Items</u>	<u>Related Party Classification/Name</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Lease liabilities	Other related parties			
	Harvatek	\$ <u>5,200</u>	\$ <u>10,469</u>	\$ <u>15,656</u>

<u>Category of related parties</u>	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
<u>Interest expense</u>				
Major Influential Investor				
Other related parties	\$ <u>55</u>	\$ <u>137</u>	\$ <u>131</u>	\$ <u>294</u>

The Group leased a plant from a significant investor in January 109 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

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Rent revenue				
Other related parties	\$ <u>-</u>	\$ <u>112</u>	\$ <u>-</u>	\$ <u>225</u>
Manufacturing overhead				
Other related parties	\$ <u>8,385</u>	\$ <u>2,649</u>	\$ <u>15,724</u>	\$ <u>8,950</u>
Other revenue				
Other related parties	\$ <u>-</u>	\$ <u>2</u>	\$ <u>-</u>	\$ <u>11</u>
	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>	
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 consolidated company 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

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Short-term employee benefits	\$ <u>7,969</u>	\$ <u>6,741</u>	\$ <u>13,973</u>	\$ <u>13,362</u>
Post-employment benefits	<u>77</u>	<u>73</u>	<u>152</u>	<u>146</u>
	\$ <u>8,046</u>	\$ <u>6,814</u>	\$ <u>14,125</u>	\$ <u>13,508</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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Certificate of deposits (financial assets at amortized cost)	\$ 21,005	\$ 20,950	\$ 20,950
Net amount of property, plant and equipment	<u>29,795</u>	<u>33,160</u>	<u>39,714</u>
	<u>\$ 50,800</u>	<u>\$ 54,110</u>	<u>\$ 60,664</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 109. 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:

June 30, 2024

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 20,335	32.40	\$ 658,854
JPY	131,626	0.20	26,325
RMB	205,452	4.42	908,098
			<u>\$ 1,593,277</u>
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	4,409	32.50	\$ 143,293
JPY	23,888	0.20	4,778
RMB	482	4.47	2,155
			<u>\$ 150,226</u>

December 31, 2023

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

June 30, 2023

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 21,081	31.09	\$ 655,408
JPY	381,486	0.21	80,112
RMB	67,988	4.26	289,629
			<u>\$ 1,025,149</u>
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	3,501	31.19	\$ 109,196
JPY	3,818	0.22	840
RMB	53	4.31	228
			<u>\$ 110,264</u>

For the merged company, the realized and unrealized net foreign exchange gains (losses) for the periods from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023 were NT\$14,906 thousand, NT\$(6,659) thousand, NT\$53,152 thousand and NT\$(11,957) 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) Information on Significant Transactions:
 1. Funds loaned to others: Appendix 1
 2. Endorsements/Guarantees for Others: Appendix 2
 3. The situation of holding securities at the end of the period (excluding investments in subsidiaries, affiliated companies and equity of joint ventures): Appendix 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: Appendix 4
 8. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital: Appendix 5
 9. Engaging in derivative product transactions: Note 7 and 31
 10. Others: Business relationships and significant transactions and amounts between the parent company and subsidiaries, and among subsidiaries: Appendix 6
- (2) Information on Investees: Appendix 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: Appendix 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: Appendix 9
- (4) Information on Major Shareholders: Names, shareholdings, and percentages of shareholders with 5% or more ownership: Appendix 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			
	April 1 to June 30, 2024	April 1 to June 30, 2023(Revised)	January 1 to June 30, 2024	January 1 to June 30, 2023 (Revised)
Contract Manufacturing Business Unit	\$ 633,916	\$ 652,970	\$ 1,239,699	\$ 1,222,522
Own product business unit	<u>507,066</u>	<u>215,031</u>	<u>838,411</u>	<u>489,151</u>
Total amount of continuing operations	<u>\$ 1,140,982</u>	<u>\$ 868,001</u>	<u>\$ 2,078,110</u>	<u>\$ 1,711,673</u>
	segment profit or loss			
	April 1 to June 30, 2024	April 1 to June 30, 2023(Revised)	January 1 to June 30, 2024	January 1 to June 30, 2023 (Revised)
Contract Manufacturing Business Unit	\$ 121,516	\$ 105,207	\$ 215,886	\$ 192,997
Own product business unit	<u>277,311</u>	<u>115,391</u>	<u>459,540</u>	<u>241,539</u>
Total amount of continuing operations	398,827	220,598	675,426	434,536
Operating expenses	(192,320)	(143,557)	(375,621)	(279,538)
Net other revenue and cost	10,257	12,201	19,288	24,913
Interest revenue	13,618	14,228	23,885	22,908
Other revenue	201	586	920	2,830
Other gains and losses	11,867	(7,162)	49,571	(10,039)
Financial costs	(1,737)	(6,124)	(3,115)	(7,382)
Share of profit or loss of associates accounted for using equity method	(<u>4,229</u>)	(<u>2,896</u>)	(<u>5,105</u>)	(<u>5,681</u>)
Net profit before tax from continuing operations	<u>\$ 236,484</u>	<u>\$ 87,874</u>	<u>\$ 385,249</u>	<u>\$ 182,547</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 Group does not provide information on the measurement of assets and liabilities to the chief operating decision maker. Therefore, the measurement amount of segment assets is zero.

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES

LENDING MONEY TO OTHERS

January 1 to June 30, 2024

Table 1

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

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	\$ 65,090	\$ 64,900	\$ -	(Note 2)	For operational use	\$ -	For operational use	\$ -	-	\$ -	\$274,568 (Note 3)	\$274,568 (Note 3)
2	YTEC (Hong Kong) Global Limited	Xiamen YoungTek Electronics Ltd.	Other receivables – related parties	Yes	32,545	32,450	20,945	(Note 2)	For operational use	-	For operational use	-	-	-	83,108 (Note 4)	83,108 (Note 4)

Note 1: Figures are derived from the original foreign currency amounts converted at the exchange rates as of June 30, 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 June 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 statements	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.	\$ 274,568 (Note 1)	\$ 162,725	\$ 162,250	\$ 148,890	\$ 148,890	2.50%	\$ 274,568 (Note 1)	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

June 30, 2024

Table 3

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

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	\$ 14,549	2.21	\$ 14,549	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	73,422	1.78	73,422	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	241,436	4.96	241,436	Note 1
	Unimicron Technology Corp.	-	Non-current financial assets measured at fair value through other comprehensive income	29,238	5,263	-	5,263	Note 1 and 3
	Navifus Corporation	-	Non-current financial assets measured at fair value through other comprehensive income	1,500,000	44,985	2.66	44,985	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	-	97,632	10.15	97,632	Note 2
	Aeolus Robotics Corporation (Cayman)	-	Non-current financial assets measured at fair value through other comprehensive income	2,000,000	-	3.08	-	Note 2

Note 1: It is calculated based on the closing price as of the end of June, 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: Unimicron 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 June 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	\$ 447,156	24.46%	180 days to the end of the month	\$ -	-	\$ 732,791	80.82%	—

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

June 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.	\$ 732,791	132%	\$ 18,996	In continuous debt collection	\$ 85,757	\$ -

YOUNGTEK ELECTRONICS CORP. AND ITS SUBSIDIARIES

STATUS OF BUSINESS RELATIONSHIP AND SIGNIFICANT TRANSACTIONS BETWEEN THE PARENT COMPANY AND SUBSIDIARIES

January 1 to June 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	\$ 1,433	Note 2	-
		Yangzhou YoungTek	1	Deferred credit – Transactions between affiliated companies	26,946	Note 2	-
		Shenzhen YoungTek	1	Operating Revenue	11,931	Note 2	1%
				Accounts receivable	12,118	Note 2	-
		Suzhou YoungTek	1	Deferred credit – Transactions between affiliated companies	17,450	Note 2	-
				Operating Revenue	447,156	Note 2	22%
				Purchase	1,848	Note 2	-
				Sale of fixed assets	42,183	Note 2	2%
Accounts receivable	732,791			Note 2	9%		
Other receivables	18,996	Note 2	-				
Accounts payable	1,839	Note 2	-				
Deferred credit – Transactions between affiliated companies	165,084	Note 2	2%				
Anhui Utest	1	Operating Revenue	65,865	Note 2	3%		
Accounts receivable	65,212	Note 2	1%				
Other receivables	65,193	Note 2	1%				
Deferred credit – Transactions between affiliated companies	38,268	Note 2	-				
American YoungTek	1	Operating Revenue	446	Note 2	-		
Commission expense	2,031	Note 2	-				
Accounts receivable	470	Note 2	-				
YTEC HK	1	Receipts under custody	6	Note 2	-		
1	Shenzhen YoungTek	Yangzhou YoungTek	2	Rental income	1,078	Note 2	-
		Other receivables	206	Note 2	-		
		Suzhou YoungTek	2	Rental income	2,694	Note 2	-
		Other receivables	566	Note 2	-		
2	Yangzhou YoungTek	Shenzhen YoungTek	2	Operating Revenue	6	Note 2	-
				Accounts receivable	7	Note 2	-
				Other receivables	2,104	Note 2	-
3	Xiamen YoungTek	YTEC HK	2	Interest expense	252	Note 2	-
				Short-term borrowings	20,945	Note 2	-
				Accrued interest payable	38	Note 2	-
		Suzhou YoungTek	2	Sale of fixed assets	5	Note 2	-
Other receivables	5	Note 2	-				

(Continued on next page)

(Continued from previous page)

No.	Trader Name	Counterparty	Relationship with Counterparties (Note 1)	Transaction situation			
				Subject	Amount	Terms and Conditions	Percentage of consolidated total revenue or total assets
4	Suzhou YoungTek	Anhui Utest	2	Operating Revenue	\$ 1,775	Note 2	-
				Accounts receivable	1,976	Note 2	-
		Shenzhen YoungTek	2	Purchase	370	Note 2	-

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 June 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	\$ 441,447 (Note 2)	(\$ 24,962)	(\$ 24,962)	—
	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	16,196 (Note 3)	(29)	(29)	—
	Tian Zheng International Precision Machinery Co., Ltd.	Taiwan Kaohsiung	Precision equipment, electronic components, modules	36,256	36,256	5,395,136	14.60	136,947 (Note 3)	(24,320)	(3,551)	—
	Wecon Limited (Samoa)	Samoa	Investment holdings	USD 800 \$ 23,738	USD 800 \$ 23,738	註一	100.00	13,427 (Note 3)	(997)	(997)	—
	Sissca Co., Ltd	Taiwan Hsinchu	Machinery, electronic components, optical instruments	24,000	24,000	3,370,752	15.52	26,111 (Note 3)	(10,012)	(1,554)	—
	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	註一	100.00	207,770 (Note 2)	(29,782)	(29,782)
Clear Reach Limited		British Virgin Islands	Investment holdings	USD 7,198 \$ 209,057	USD 7,198 \$ 209,057	註一	100.00	124,625 (Note 3)	(8,097)	(8,097)	—

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 reviewed by the accountants for the same period.

Note 3: It is calculated based on the financial statements note reviewed by the accountants for 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 June 30, 2024

Table 8

Unit: In thousands of New Taiwan Dollars and foreign currency, 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%	(\$ 15,333 (Note 3)	(\$ 54,927 (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%	(16,012 (Note 3)	169,704 (Note 3)	-
YoungTek 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%	(9,093 (Note 3)	139,965 (Note 3)	-
Suzhou YoungTek Microelectronics Ltd.	The design of integrated circuits; testing, packaging, and processing of chips; technology development, technical services, and technical consulting in the field of semiconductors and integrated circuits; computer software design and development; sales of semiconductors, electronic products, electromechanical equipment, and electronic components; repair, rental, and sale of mechanical equipment; import and export of various goods and technologies, for self-operation or as agents.	RMB 20,677 \$ 93,330	(2)	RMB 20,677 \$ 93,330	-	-	RMB 20,677 \$ 93,330	100%	(6,550 (Note 3)	104,680 (Note 3)	-
Anhui Utest Electronics Ltd.	Manufacture and sale of semiconductor device dedicated equipment; manufacture and sale of industrial automatic control computer software and hardware and auxiliary equipment; design and sale of integrated circuit chips and products; software development and sales; sale of semiconductors, electronic products, electronic components, electronic dedicated equipment; machinery equipment maintenance, rental; technical services, development, consulting, promotion.	RMB 1,000 \$ 4,436	(5)	-	-	-	-	100%	7,510 (Note 3)	11,675 (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	\$ 3,896,474

(Continued on next page)

(Continued from previous page)

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 YTEC Xiamen, the financial statements of other investees for the same periods have not been reviewed by accountants.

Note 4: Notes 13 to the Parent Company Only 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 June 30, 2024

Appendix 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	\$ 489,339	26%	Note	Note	\$ 732,791	81%	\$ 85,008	—
Shenzhen YoungTek	Vending machine revenue	11,931	1%	Note	Note	12,118	1%	5,910	—
Anhui Utest	Vending machine revenue and other industry income	65,865	4%	Note	Note	65,212	7%	38,268	—
American YoungTek	Other industry income	446	-	Note	Note	470	-	-	—

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

June 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.