

[Stock Code: 8027]

**E&R ENGINEERING CORPORATION AND
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30 2024
AND 2023 AND INDEPENDENT AUDITORS'
REVIEW REPORT**

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Independent Auditors' Review Report

To The Board of Directors and Shareholders of E&R Engineering Corporation:

Introduction

E&R Engineering Corporation and its subsidiaries prepared Consolidated Balance Sheets as of June 30, 2024 and 2023, and Consolidated Statements of Comprehensive Income from April 01 to June 30, 2024 and 2023, and from January 01 to June 30, 2024 and 2023, Consolidated Statements of Changes in Equity and Consolidated Statements of Cash Flows from January 01 to June 30, 2024 and 2023, and Consolidated Financial Statements notes (including a summary of significant accounting policies) which have been reviewed by our accountants. According to Regulations Governing the Preparation of Financial Reports by Securities Issuers as approved and issued by the Financial Supervisory Commission, the responsibility for the preparation of these financial statements in accordance with IAS(s) No. 34 "Interim Financial Reporting" rests with the management. The responsibility of our accountants is to express a conclusion on Consolidated Financial Statements based on the review results.

Scope of review

Except for the matters described in the basis for conclusion paragraph, we conducted our review in accordance with Review Standard No. 2410 "Review of Financial Statements." The procedures performed during the review of Consolidated Financial Statements include inquiries (mainly to personnel responsible for financial and accounting matters), analytical procedures, and other review procedures. The scope of review work is significantly smaller than that of audit work, therefore the accountant may not be able to detect all significant matters that can be identified through audit work, and thus cannot express an audit opinion.

Basis for qualified conclusion

As stated in Note 4(3) of the Consolidated Financial Statements, the financial reports of non-significant subsidiaries included in the aforementioned Consolidated Financial Statements, and the related information disclosed in Note 13, are based on the respective companies' unaudited financial reports for the same period. The total assets of these subsidiaries as of June 30, 2024 and 2023, were NTD 1,123,616 thousand and NTD 814,927 thousand, respectively, accounting for 27.12% and 20.12% of the consolidated total assets, respectively. The total liabilities were NTD 736,452 thousand and NTD 328,816 thousand, respectively, accounting for 48.72% and 18.98% of the consolidated total liabilities. The total comprehensive income (loss) from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023, were NTD (24,278) thousand, NTD (24,350) thousand and NTD (36,975) thousand, NTD (32,166) thousand, respectively, accounting for (65.9%), 79.72% and (137.95) %, 214.41% of the consolidated total comprehensive income (loss), respectively.

Qualified conclusion

Based on the results of our CPA review, except for the potential adjustments to the Consolidated Financial Statements due to the financial reports of the invested companies mentioned in the basis for the qualified conclusion and the relevant information disclosed in Note 13, no significant aspects of the aforementioned Consolidated Financial Statements were found to be non-compliant with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. and the FSC recognized and effective IAS(s) No. 34 "Interim Financial Reporting". Therefore, the Consolidated Financial Statements are unable to fairly present the consolidated financial position of E&R Engineering Corporation and its subsidiaries as of June 30, 2024 and 2023, as well as the consolidated financial performance for the periods from April 1 to June 30, 2024 and 2023,

and from January 1 to June 30, 2024 and 2023, and the consolidated cash flows for the period from January 1 to June 30, 2024 and 2023.

Crowe (TW) CPAs

Accountant: Hsieh, Ren Yao

Accountant: Lee, Kuo Ming

Approval Number: Financial-Supervisory-Securities-Auditing-
Order No.10200032833
Financial-Supervisory-Securities-Auditing-
Order No.1100145994
August 07, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China. For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail

E&R Engineering Corporation and subsidiaries
Consolidated Balance Sheets
June 30, 2024, December 31 and June 30, 2023

Unit: NTD thousand

Code	assets	June 30, 2024		December 31, 2023		June 30, 2023	
		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							
1100	Cash and cash equivalents (Note 6(1)) \$	709,944	17	\$ 846,413	20	\$ 860,679	21
1110	Financial assets at fair value through profit or loss -current(Note 6(2))	281,467	7	343,961	8	157,098	4
1150	Notes receivable, net (Note 6(3))	7,479	–	5,665	–	5,161	–
1170	Accounts receivable, net (Note 6(4))	533,416	13	435,664	10	464,327	11
1200	Other receivables	10,485	–	7,345	–	3,613	–
1220	Current income tax assets	554	–	42	–	31	–
130x	Inventories (Note 6(5))	952,032	24	1,038,844	27	1,086,845	28
1410	Prepayments	95,865	2	61,375	1	76,533	2
1476	Other financial assets-current (Note 6(6))	137,347	3	342,633	8	336,635	8
11xx	Total current assets	2,728,589	66	3,081,942	74	2,990,922	74
NON-CURRENT ASSETS							
1517	Financial assets at fair value through other comprehensive income or loss-non-current(Note 6(7))	69,464	2	51,270	1	40,712	1
1600	Property, plant and equipment (Note 6(2))	1,085,026	26	750,964	19	717,136	18
1755	Right-of-use assets (Note 6(9))	169,356	4	177,928	4	208,502	5
1780	Intangible assets (Note 6 (10))	14,553	–	16,668	–	18,090	–
1840	Deferred tax assets	47,185	1	51,799	1	52,841	1
1920	Refundable deposits (Note 6(11))	11,332	1	11,288	1	14,259	1
1960	Current prepayments for investments	10,000	–	10,000	–	–	–
1980	Other financial assets- non-current (Note 8)	6,900	–	6,900	–	6,900	–
15xx	Total non-current assets	1,413,816	34	1,076,817	26	1,058,440	26
1xxx	TOTAL ASSETS	\$ 4,142,405	100	\$ 4,158,759	100	\$ 4,049,362	100
Liability and equity							
CURRENT LIABILITIES							
2100	Short-term borrowings (Note 6(12)) \$	3,900	–	\$ 97,000	2	\$ –	–
2130	Contract liabilities-current (Note 6(27))	41,380	1	23,038	1	31,994	1
2150	Notes payable	3,588	–	3,652	–	4,121	–
2170	Accounts payable	164,292	5	186,032	4	143,787	4
2200	Others payable (Note 6 (13))	134,862	3	142,547	3	144,975	4
2230	Current tax liabilities	3,000	–	22,962	1	11,435	–
2250	Provisions-current (Note 6(14))	33,327	1	31,461	1	53,323	1
2280	Lease liabilities - current (Note 6(9))	19,913	–	21,788	1	35,423	1
2310	Advance receipts	398	–	398	–	398	–
2320	Current portion of long-term liabilities(Note 6(15))	17,310	–	17,172	–	17,021	–
21xx	Total current liabilities	421,970	10	546,050	13	442,477	11

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Code	Liability and equity	June 30, 2024		December 31, 2023		June 30, 2023	
		Amount	%	Amount	%	Amount	%
	NON-CURRENT LIABILITIES						
2500	Financial liabilities at fair value through profit or loss-non-current (Note 6(2))	–	–	9,700	–	14,400	–
2530	Bonds payable (Note 6(16))	614,327	15	946,295	24	938,792	23
2540	Long-term borrowings (Note 6(17))	245,947	6	72,923	2	81,318	2
2570	Deferred tax liabilities	3,760	–	276	–	2,381	–
2580	Lease liabilities - non-current (Note 6(9))	124,254	3	131,450	3	149,126	4
2630	Long-term deferred revenue (Note 6(18))	22,726	1	22,053	1	22,148	1
2640	Net defined benefit liabilities - non-current	7,545	–	9,584	–	10,609	–
2645	Deposits received (Note 9(8))	71,056	1	71,056	1	71,056	2
25xx	Total non-current liabilities	1,089,615	26	1,263,337	31	1,289,830	32
2xxx	TOTAL LIABILITY	1,511,585	36	1,809,387	44	1,732,307	43
	EQUITY						
	EQUITY ATTRIBUTABLE TO OWNERS OF PARENT						
3100	Share capital (Note 6(20))						
3110	Ordinary share	1,027,355	25	985,954	24	995,954	25
3130	Certificate of entitlement to new shares from convertible bond	13,376	–	–	–	–	–
3200	Capital surplus (Note 6 (21))	1,522,023	38	1,237,824	29	1,241,663	29
3300	Retained earnings (Note 6(23))						
3310	Legal reserve	77,177	2	77,177	2	77,177	2
3320	Special reserve	31,456	1	36,409	1	36,409	1
3350	Unappropriated retained earnings	111,620	2	166,014	4	158,404	4
3400	Other equity interest (Note 6(24))	(4,076)	–	(31,456)	(1)	(40,648)	(1)
3500	Treasury shares (Note 6 (25))	(166,725)	(4)	(166,725)	(4)	(217,289)	(5)
31xx	Total Equity attributable to owners of parent	2,612,206	64	2,305,197	55	2,251,670	55
36xx	Non-controlling interests (Note 6(26))	18,614	–	44,175	1	65,385	2
3xxx	Total equity	2,630,820	64	2,349,372	56	2,317,055	57
	TOTAL LIABILITY AND EQUITY	\$ 4,142,405	100	\$ 4,158,759	100	\$ 4,049,362	100

(Please refer to Consolidated Financial Statements note)

Chairman: Wang, Ming-Chin

Managerial officers: Eric Chang

Accounting Supervisor: Max Cao

E&R Engineering Corporation and subsidiaries
Consolidated Statements of Comprehensive Income
April 01 to June 30, 2024 and 2023 and January 01 to June 30, 2024 and 2023

Unit:NTD thousand

Code	item	April 01 to June 30, 2024		April 01 June 30, 2023		January 01 June 30, 2024		January 01 June 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	OPERATING REVENUE (Note 6(27))	\$ 503,896	100	\$ 282,100	100	\$ 791,743	100	\$ 692,815	100
5000	OPERATING COSTS (Note 6(5))	(306,141)	(61)	(174,448)	(61)	(501,074)	(63)	(431,244)	(62)
5900	GROSS PROFIT(LOSS)	197,755	39	107,652	39	290,669	37	261,571	38
	OPERATING EXPENSES								
6100	Selling expenses	(59,027)	(12)	(64,866)	(23)	(118,265)	(15)	(111,435)	(17)
6200	Administrative expenses	(50,920)	(10)	(38,008)	(13)	(95,031)	(12)	(77,119)	(11)
6300	Commissions expenses	(65,728)	(13)	(50,398)	(18)	(128,886)	(16)	(97,361)	(14)
6450	Impairment gain (loss) (Note 6(4))	216	-	(1,681)	(1)	1,510	-	(2,227)	-
6000	Total operating expenses	(175,459)	(35)	(154,953)	(55)	(340,672)	(43)	(288,142)	(42)
6900	INCOME (LOSS) FROM OPERATIONS	22,296	4	(47,301)	(16)	(50,003)	(6)	(26,571)	(4)
	Non-operating income and expenses								
7100	Interest income (Note 6(29))	2,874	1	7,309	3	6,705	1	15,661	3
7010	Other income (Note 6 (30))	-	-	655	-	2,045	-	1,185	-
7020	Other profits and losses (Note 6(31))	11,597	2	18,613	6	51,609	6	13,893	2
7050	Finance costs (Note 6 (32))	(5,861)	(1)	(5,572)	(2)	(10,774)	(1)	(10,821)	(2)
7000	Total non-operating income and expenses	8,610	2	21,005	7	49,585	6	19,918	3
7900	PROFIT(LOSS) BEFORE TAX	30,906	6	(26,296)	(9)	(418)	-	(6,653)	(1)
7950	INCOME TAX PROFIT (EXPENSE) (Note 6 (33))	(2,080)	-	1,397	-	(1,054)	-	(3,312)	-
8200	NET PROFIT (LOSS)	28,826	6	(24,899)	(9)	(1,472)	-	(9,965)	(1)
	Other comprehensive income (Note 6(34))								
8310	Items that will not be reclassified subsequently to profit or loss								
8316	Unrealized valuation profits and losses on investments through other comprehensive income measured at fair value equity instruments	2,454	-	6,205	2	7,898	1	4,531	-
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of foreign financial statements	5,655	2	(12,123)	(4)	20,831	3	(9,782)	(1)
8399	Profit (expenses) related to income tax of item subject to reclassification	(90)	-	272	-	(453)	-	214	-
8300	Other comprehensive income, net	8,019	2	(5,646)	(2)	28,276	4	(5,037)	(1)
8500	TOTAL COMPREHENSIVE INCOME	\$ 36,845	8	\$ (30,545)	(11)	\$ 26,804	4	\$ (15,002)	(2)
8600	NET PROFIT (LOSS) ATTRIBUTABLE TO:								
8610	Owners of parent company (net profit/loss)	\$ 30,707	6	\$ (23,182)	(8)	\$ 3,287	1	\$ (6,893)	(1)
8620	Non-controlling interests (net profit/loss)	(1,881)	-	(1,717)	(1)	(4,759)	(1)	(3,072)	-
		\$ 28,826	6	\$ (24,899)	(9)	\$ (1,472)	-	\$ (9,965)	(1)
8700	COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
8710	Owners of parent company	\$ 38,703	8	\$ (27,837)	(10)	\$ 30,667	4	\$ (11,132)	(1)
8720	non-controlling interests	(1,858)	-	(2,708)	(1)	(3,863)	-	(3,870)	(1)
		\$ 36,845	8	\$ (30,545)	(11)	\$ 26,804	4	\$ (15,002)	(2)
	EARNING PER SHARE								
9750	Basic earnings per share (Note 6(36))	\$ 0.31		\$ (0.24)		\$ 0.03		\$ (0.07)	
9850	Diluted earnings per share (Note 6(36))	\$ 0.31		\$ (0.24)		\$ 0.03		\$ (0.07)	

(Please refer to Consolidated Financial Statements note)

Chairman: Wang, Ming-Chin

Managerial officers: Eric Chang

Accounting Supervisor: Max Cao

E&R Engineering Corporation and its subsidiaries
Consolidated Statements of Changes in Equity
January 01 to June 30, 2024 and 2023

Unit:NTD thousand

	Equity attributable to owners of parent												
	Share capital				Retained earnings				Other equity interest item				
	Ordinary share	Certificate of entitlement to new shares from convertible bond	Advance receipts for ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Through other comprehensive income according to fair value of financial assets unrealized valuation (loss) profit	Treasury shares	Total equity belonging to owners of parent company	Non-controlling interests	Total equity
BALANCE AT JANUARY 01, 2023	\$ 1,007,703	\$ 3,026	\$ 125	\$ 1,271,597	\$ 38,028	\$ 11,185	\$ 459,625	\$ (8,934)	\$ (27,475)	\$ (188,316)	\$ 2,566,564	\$ 69,255	\$ 2,635,819
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	-	-	39,149	-	(39,149)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	-	-	25,224	(25,224)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	(195,545)	-	-	-	(195,545)	-	(195,545)
Net profit(loss) from January 01 to June 30, 2023	-	-	-	-	-	-	(6,893)	-	-	-	(6,893)	(3,072)	(9,965)
Other comprehensive income from January 01 to June 30, 2023	-	-	-	-	-	-	-	(8,770)	4,531	-	(4,239)	(798)	(5,037)
Total comprehensive income from January 01 to June 30, 2023	-	-	-	-	-	-	(6,893)	(8,770)	4,531	-	(11,132)	(3,870)	(15,002)
Bond conversion entitlement certificates	3,026	(3,026)	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(111,508)	(111,508)	-	(111,508)
Retirement of treasury shares	(14,900)	-	-	(33,225)	-	-	(34,410)	-	-	82,535	-	-	-
Share-based payments transaction	125	-	(125)	3,291	-	-	-	-	-	-	3,291	-	3,291
BALANCE AT JUNE 30, 2023	\$ 995,954	\$ -	\$ -	\$ 1,241,663	\$ 77,177	\$ 36,409	\$ 158,404	\$ (17,704)	\$ (22,944)	\$ (217,289)	\$ 2,251,670	\$ 65,385	\$ 2,317,055
BALANCE AT JANUARY 01, 2024	985,954	-	-	1,237,824	77,177	36,409	166,014	(15,465)	(15,991)	(166,725)	2,305,197	44,175	2,349,372
Appropriation and distribution of retained earnings:													
Cash dividends of ordinary shares	-	-	-	-	-	-	(49,829)	-	-	-	(49,829)	-	(49,829)
Reversal of special reserve	-	-	-	-	-	(4,953)	4,953	-	-	-	-	-	-
Net profit(loss) from January 01 to June 30, 2024	-	-	-	-	-	-	3,287	-	-	-	3,287	(4,759)	(1,472)
Other comprehensive income from January 01 to June 30, 2024	-	-	-	-	-	-	-	19,482	7,898	-	27,380	896	28,276
Total comprehensive income (loss) from January 01 to June 30, 2024	-	-	-	-	-	-	3,287	19,482	7,898	-	30,667	(3,863)	26,804
Conversion of convertible bonds	-	54,777	-	282,996	-	-	-	-	-	-	337,773	-	337,773
Bond conversion entitlement certificates	41,401	(41,401)	-	-	-	-	-	-	-	-	-	-	-
The difference between the actual acquisition or disposal of the subsidiary company's equity price and book value	-	-	-	-	-	-	(12,805)	-	-	-	(12,805)	-	(12,805)
Share-based payments transaction	-	-	-	1,203	-	-	-	-	-	-	1,203	-	1,203
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(21,698)	(21,698)
BALANCE AT JUNE 30, 2024	\$ 1,027,355	\$ 13,376	\$ -	\$ 1,522,023	\$ 77,177	\$ 31,456	\$ 111,620	\$ 4,017	\$ (8,093)	\$ (166,725)	\$ 2,612,206	\$ 18,614	\$ 2,630,820

(Please refer to Consolidated Financial Statements note)

Chairman: Wang, Ming-Chin

Managerial officers: Eric Chang

Accounting Supervisor: Max Cao

E&R Engineering Corporation and subsidiaries
Consolidated Statements of Cash Flows
January 01 to June 30, 2024 and 2023

Unit: NTD thousand

Item	January 01 to June 30, 2024	January 01 to June 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit(loss) before tax	\$ (418)	\$ (6,653)
Adjustments		
Reconcile profit item		
Depreciation expense	68,416	63,522
Amortization expense	3,983	5,028
Expected credit loss (profit)	(1,510)	2,227
Net loss (profit) on financial assets and liabilities at fair value through profit or loss	(17,133)	(9,059)
Interest expense	10,774	10,821
Interest income	(6,705)	(15,661)
Share-based payments	1,203	3,291
Loss(profit) on disposal of property, plant and equipment	182	(790)
Loss(profit) on disposal of subsidiaries	2,329	-
Impairment loss on non-financial assets	4,524	-
Profit on lease modification	(28)	-
Other items	(199)	(199)
Total income and expense item	65,836	59,180
Changes in operating assets and liabilities		
Changes in operating assets		
Mandatory through profit or loss at fair value of financial assets (increase) decrease	69,463	(38,496)
Notes receivable (increase) decrease	(1,815)	17,757
Accounts receivable (increase) decrease	(96,419)	285,378
Other receivables (increase) decrease	(3,331)	4,554
Inventories (increase) decrease	(2,355)	8,787
Prepayments (increase) decrease	(34,490)	13,712
Other financial assets (increase) decrease	200,000	273,461
Total changes in operating assets	131,053	565,153
Changes in operating liabilities		
Contract liabilities increase (decrease)	18,342	(5,193)
Increase in notes payable (decrease)	(64)	(2,723)
Increase in accounts payable (decrease)	(21,740)	(171,540)
Others accounts payable increase (decrease)	(17,324)	(82,088)
Increase in provisions (decrease)	1,866	(39,536)
Net defined benefit liabilities increase (decrease)	(2,039)	5
Total changes in operating liabilities	(20,959)	(301,075)
Total changes in operating assets and liabilities	110,094	264,078

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item	January 01 to June 30, 2024	January 01 to June 30, 2023
Total adjustments	\$ 175,930	\$ 323,258
Cash generated from (used in) operations	175,512	316,605
Interest received	6,896	16,678
Interest paid	(4,636)	(3,506)
Income tax refund(paid)	(13,640)	(82,259)
Net cash generated from (used in) operating activities	164,132	247,518
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(10,296)	-
Acquisition of property, plant and equipment	(277,596)	(97,681)
Proceeds from disposal of property, plant and equipment	59	790
Increase in refundable deposits	(44)	(1,559)
Acquisition of intangible assets	(1,841)	(10,004)
Increase in other financial assets	-	(4,244)
Decrease in other financial assets	5,286	-
Net cash flows from investing activities	(284,432)	(112,698)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans	(93,100)	(4,500)
Proceeds from long-term debt	178,973	-
Repayments of long-term debt	(8,314)	(8,191)
Payments of lease liabilities	(10,983)	(15,828)
Cash dividends paid	(49,829)	(195,545)
Payments to acquire treasury shares	-	(111,508)
Change in non-controlling interests	(34,503)	-
Net cash flows from financing activities (outflow)	(17,756)	(335,572)
Effect of exchange rate changes on cash and cash equivalents	1,587	(3,397)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(136,469)	(204,149)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	846,413	1,064,828
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 709,944	\$ 860,679

(Please refer to Consolidated Financial Statements note)

Chairman: Wang, Ming-Chin

Managerial officers: Eric Chang

Accounting Supervisor: Max Cao

E&R Engineering Corporation and its subsidiaries
Notes to the Consolidated Financial Statements
For the Six Months Ended June 30, 2024 and 2023
(Unless otherwise specified, the amounts are in NTD thousand)

1. Company History

E&R Engineering Corporation (hereinafter referred to as the Company) was established in October 1994, and on January 03, 2003 the stock was listed in the emerging market. After the board of directors' resolution on November 13, 2008 to cancel the trading in the emerging market, it was re-listed for emerging market trading on November 12, 2013, and on March 27, 2015 it was approved by Taipei Exchange (TPEX) for OTC trading. The main business item includes the planning, design, manufacturing, installation, and trading of automated machinery, parts, computer systems, and pollution control equipment.

For the main operating activities of the company and its subsidiaries (hereinafter referred to as the Group), please refer to Note 4, (3), 2. Additionally, our company does not have an ultimate parent company.

These Consolidated Financial Statements are expressed in the Company's functional currency, the NTD.

2. Approval Date and Procedures of the Financial Reports

This Consolidated Financial Statements was approved by the Board of Directors on August 07, 2024.

3. Implementation of New Standards, Amendments, and Interpretations

(I) The Company has adopted the Financial Supervisory Commission (hereinafter referred to as "the FSC") recognized and issued effective IFRS, IAS, interpretations and Statement on Internal Control (SIC) (collectively, the "IFRSs") impact.

The following table lists the newly issued, amended, and revised standards and interpretations approved by the FSC applicable in Year 2024 under IFRS(s) :

Newly Released/Amended/Updated Standards and Interpretations	Effective date issued by IASB
Amendment to IFRS16 "lease liability in a sale and leaseback"	January 01, 2024(Note)
Amendments to IAS(s) 1 "classification of liabilities as current or non-current"	January 01, 2024(Note)
Amendments to IAS(s) 1 "non-current liabilities with covenants"	January 01, 2024(Note)
IAS(s) 7 and IFRS 7 amendments "supplier finance arrangements"	January 01, 2024(Note)

Note: This amendment applies to reporting periods beginning on or after January 01, 2024.

1. Amendment to IFRS 16 "lease liability in a sale and leaseback"

This amendment clarifies that for sale and leaseback transactions, if the transfer of assets qualifies as a sale under IFRS 15, the seller-lessee should account for the resulting liabilities from the leaseback in accordance with IFRS 16 regarding lease liabilities; however, if the lease payments involve variable changes not dependent on an index or rate, the seller-lessee should determine and recognize such variable lease payments in a manner that does not recognize profit or loss related to the retained right-of-use asset. The difference between the actual lease payments and the variable carrying amount of the lease liabilities should be recognized in profit or loss.

2. Amendments to IAS(s) 1 "classification of liabilities as current or non-current"

This amendment clarifies that when determining whether a liability is classified as non-current, the entity should assess whether it has the right to defer settlement for at least 12 months after the reporting period end date. If the entity has this right at the reporting period end date, the liability should be classified as non-current regardless of whether the entity expects to exercise this right. If the entity must comply with specific conditions to have the right to defer settlement, it must have complied with those conditions at the reporting period end date to classify the liability as non-current, even if the creditor assesses compliance at a later date.

In addition, this amendment stipulates that, for the purpose of liabilities classification, the aforementioned settlement refers to the transfer of cash, other economic resources, or the company's equity instruments to the counterparty leading to the extinguishment of the liability. However, if the terms of a liability may, at the option of the counterparty, result in settlement by transferring the company's equity instruments, and if such an option is separately recognized as equity under IAS(s) 32 'Financial Instruments: Presentation', then the aforementioned terms do not affect the classification of the liability.

3. Amendments to IAS(s) 1 "non-current liabilities with covenants"

This amendment further clarifies that only the contractual terms that must be followed before the end of the reporting period will affect the classification of liabilities on that date. The contractual terms that must be followed within 12 months after the reporting period do not affect the classification of liabilities. However, if the enterprise classifies liabilities as non-current at the end of the reporting period and may be unable to comply with the contractual terms requiring repayment within 12 months after the reporting period, it should disclose relevant facts and circumstances in the notes.

4. Amendments to IAS(s) 7 and IFRS 7 "supplier finance arrangements"

supplier finance arrangements involve payments made by one or more financiers to the supplier on behalf of the enterprise, with the enterprise agreeing to pay the financier on the agreed payment date with the supplier or at a later date. The amendments to IAS(s) 7 require companies to disclose information about their supplier finance arrangements so that financial statement users can assess the impact

of such arrangements on the company's liabilities, cash flows, and liquidity risk exposures. The amendments to IFRS 7 include guidance on how entities should disclose their management of financial liabilities liquidity risk, considering whether they have obtained or can obtain financing through supplier finance arrangements, and whether such arrangements may lead to a concentration of liquidity risk.

The Group has assessed the above criteria and interpretations and concluded that they have no significant impact on the Group's financial position and performance.

(II) The impact of newly issued and amended IFRS(s) not yet adopted as recognized by the Financial Supervisory Commission: None.

(III) IAS(s) Board issued but not yet Recognized by the financial Supervisory Commission:

The following table summarizes the new standards, amendments, and revisions issued by IAS(s) Board that have been issued but not yet endorsed by the Financial Supervisory Commission for IFRS(s) and their impact:

Newly Released/Amended/Updated Standards and Interpretations	Effective date issued by IASB
IFRS 9 and IFRS 7 Amendments "Amendments to Classification and Measurement of Financial Instruments"	January 01, 2026
IFRS 10 and IAS(s) 28 Amendments "Investor and its Associates or Joint Ventures assets sale or investment "	Pending
IFRS 17 "Insurance Contracts"	January 01, 2023
IFRS 17 "Insurance Contracts" Amendment	January 01, 2023
IFRS 17 Amendments "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"	January 01, 2023
IFRS 18 "Presentation and Disclosure of Financial Statements"	January 01, 2027
IFRS 19 "Non-publicly accountable subsidiary: Disclosure"	January 01, 2027
IAS 21 Amendment "lack of exchangeability"	January 01, 2025

Except as described below, the Group has assessed that the above criteria and interpretations have no significant impact on the Group's financial position and financial performance.

1. IFRS 9 and IFRS 7 Amendments "Amendments to Classification and Measurement of Financial Instruments" are explained as follows:

- (1) Clarify the recognition and derecognition dates of certain financial assets and liabilities, and add that when using an electronic payment system to settle financial liabilities (or partial financial liabilities) in cash, the company is allowed to consider the financial liabilities as released before the settlement date if and only if the company initiates a payment instruction and results in the following situation:
 - A. The company does not have the ability to revoke, stop, or cancel the specified payment;
 - B. The company does not have the actual ability to access the cash to be used for settlement due to the payment instruction;

C. The settlement risk associated with the electronic payment system is not significant.

- (2) Clarify and provide further guidance on assessing whether financial assets meet the solely payments of principal and interest (SPPI) criteria, including terms that change cash flows based on contingent events (e.g., interest rates linked to ESG targets), non-recourse features of instruments, and contract-linked instruments.
 - (3) For certain instruments with contract terms that can change cash flows (such as some instruments with features related to achieving environmental, social, and governance (ESG) goals), a qualitative description of the nature of contingencies should be disclosed; quantitative information on the range of possible changes in contractual cash flows arising from such contract terms; and the total carrying amount of financial assets and the amortized cost of financial liabilities under such contract terms.
 - (4) Through an irrevocable election designated as through other comprehensive income at fair value of equity instruments (FVTOCI), the fair value should be disclosed by each category, without the need to disclose the fair value information by each underlying item. Additionally, the amount of fair value profits or losses recognized in other comprehensive income during the reporting period should be disclosed, separately listing the fair value profits or losses related to investments disposed of during the reporting period, and the fair value profits or losses related to investments still held as of the end of the reporting period; as well as the cumulative profits or losses transferred to equity due to investment disposals during the reporting period.
2. IFRS 10 and IAS(s) 28 amendments "sale or contribution of assets between an investor and its associate or joint venture"
- This amendment resolves the inconsistency between the current IFRS 10 and IAS(s) 28. When investors (or invest) assets to their affiliated enterprises or joint ventures, the recognition of full or partial disposal profits or losses depends on the nature of the transaction assets. When the transaction assets qualify as a "business," the full disposal profits or losses are recognized; when the transaction assets do not qualify as a "business," only the partial disposal profits or losses within the scope of non-related investors' equity in the affiliated enterprises or joint ventures can be recognized.
3. IFRS 18 "Presentation and Disclosure of Financial Statements"
- IFRS 18 will replace IAS(s) 1 and update the framework of Statement of comprehensive income, add disclosure of management performance measures, and strengthen the principles of aggregation and disaggregation applied to primary financial statements and notes.
4. IFRS 19 "Non-publicly accountable subsidiaries: Disclosure"
- This guideline allows eligible subsidiaries to apply the reduced disclosure requirements of IFRS accounting standards.

5. Amendment to IAS(s) 21 "lack of exchangeability"

This amendment defines exchangeability and provides relevant application guidelines on determining the spot exchange rate on the measurement date when a currency lacks exchangeability. This amendment also requires companies to provide more useful information in their financial statements when one currency cannot be exchanged for another currency.

As of the date of this Consolidated Financial Statements release, the Group is still evaluating the impact of the above standards and interpretations on the Group's financial position and performance, and the relevant impact will be disclosed upon completion of the evaluation.

4. Summary of Key Accounting Policies

Significant accounting policies except for those related to the basis of preparation, consolidation, and new components, are explained as follows. The rest are the consistent with Note 4 of the Consolidated Financial Statements for the year 2023. Unless otherwise stated, these policies apply consistently throughout the reporting period.

(I) Follow the statement

This Consolidated Financial Statements is prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers. and the Financial Supervisory Commission recognized and promulgated IAS(s) No. 34 "Interim Financial Reporting". This Consolidated Financial Statements should be read together with the Consolidated Financial Statements for the year 2023.

(II) Preparation Basics

1. Except for the following important item, this Consolidated Financial Statements is prepared on a historical cost basis:
 - (1) Financial assets and liabilities measured at fair value through profit or loss (including derivative instruments).
 - (2) Financial assets measured at fair value through other comprehensive income.
 - (3) Share-based payment liabilities settled in cash, measured at fair value.
 - (4) Defined benefit liabilities recognized as the net amount of retirement fund assets and the present value of defined benefit obligations.
2. Preparing Consolidated Financial Statements in accordance with IFRSs endorsed by the FSC requires the use of certain critical accounting estimates. The application of the Group's accounting policies also requires management to exercise its judgment. For item involving significant judgment or complexity, or involving major assumptions and estimates of Consolidated Financial Statements, please refer to Note 5 for details.

(III) Consolidated Basis

1. Principles of Consolidated Financial Statements Preparation:
 - (1) The Group includes all subsidiaries in the Consolidated Financial Statements prepared.

A subsidiary is defined as an entity controlled by the Group (including structured

entities). The Group controls the entity when it is exposed to variable returns from its involvement with the entity or has rights to those variable returns and has the ability to affect those returns through its power over the entity. Subsidiaries are included in the Consolidated Financial Statements from the date control is obtained and are deconsolidated from the date control is lost.

- (2) Transactions between companies within the group, balance and unrealized profits and losses have been eliminated. The accounting policies of the subsidiary have been adjusted as necessary to be consistent with those adopted by the Group.
- (3) Profit or loss and components of other comprehensive income attributable to owners of the parent company and non-controlling interests are presented separately. Total comprehensive income is also attributable to owners of parent company and non-controlling interests, even if it results in non-controlling interests incurring a loss balance.
- (4) Changes in the ownership interest of subsidiaries that do not result in the loss of control (transactions with non-controlling interests) are treated as equity transactions. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized in equity.
- (5) When the group loses control of a subsidiary, the remaining investment in the former subsidiary is remeasured at fair. This fair value is recognized as the initial cost of financial assets or investments in associates or joint ventures. The difference between the fair value and the carrying amount is recognized as current period profit or loss. Any amounts previously recognized in other comprehensive income related to the subsidiary, the accounting treatment is the same as if the Group had directly disposed of the related assets or liabilities. Thus, if previously recognized as a profit or loss in other comprehensive income, it will be reclassified to profit or loss upon disposal of the related assets or liabilities. Consequently, upon losing control of a subsidiary, the profit or loss is reclassified from equity to profit or loss.

2. Subsidiaries included in the Consolidated Financial Statements are as follows:

Investment company/subsidiary	Main business item	Shareholding or investment ratio		
		June.30, 2024	December.31,2023	June.30, 2023
1. This company				
E&R Semiconductor Materials Co., Ltd.	Semiconductor packaging materials trading business	100%	100%	90.00%
TECH-WAVE Industrial Co., Ltd.	Flexible printed circuit board manufacturing and processing trading business	51.43%	51.43%	51.43%
ENRICHMENT TECH. CORPORATION	Investment holding company	100%	100%	100%
CRYSTAL ENTEC CORP.(Note)	Electronic materials processing business	–	–	48.27%
EXCELLENT INTERNATIONAL HOLDINGS LIMITED	Investment holding company	100%	100%	100%
EXCELLENT TECHNOLOGIES HOLDINGS PTE LTD	Investment holding company	100%	–	–
2. E&R Semiconductor Materials Co., Ltd.				
E&R(Dongguan) Semiconductor Materials Limited Company	Semiconductor packaging materials production and sales business	100%	100%	100%
GAIN PROFIT HOLDING LIMITED	Semiconductor packaging materials trading Business	–	–	100%
3. ENRICHMENT TECH. CORPORATION				
ENR APPLIED PACKING MATERIAL CORPORATION	Investment holding company	100%	100%	100%
Chentai Trading (Shanghai) Co. Ltd.	Automation equipment After-sales service	100%	100%	100%
Suzhou E&R Precision Equipment Co. Ltd.	Automation equipment production and sales business	–	100%	100%
4. ENR APPLIED PACKING MATERIAL CORPORATION				
Wuxi E&R Semiconductor Materials Technology Limited Company	Semiconductor packaging materials production and sales business	100%	100%	100%
5. EXCELLENT INTERNATIONAL HOLDINGS LIMITED				
Jiangsu E&R Technology Co., Ltd.	Automation equipment production and sales business	90.61%	90.61%	90.61%
6. Chentai Trading (Shanghai) Co. Ltd.				
Jiangsu E&R Technology Co., Ltd.	Automation equipment production and sales business	9.39%	–	–

(Note) The Group holds a 48.27% shareholding in Jinghui Company, but with control over more than half of the board seats, the Group has the substantive ability to

dominate Jinghui Company's relevant activities. Consequently, Jinghui Company is included as a subsidiary in the Consolidated Financial Statements.

(1) The above-mentioned subsidiaries included in the Consolidated Financial Statements have not had their financial reports reviewed by accountants.

(2) Changes in consolidated subsidiaries:

(A) In May 2024, the Group acquired EXCELLENT TECHNOLOGIES HOLDINGS PTE LTD through a new investment.

(B) CRYSTAL ENTEC CORP. and GAIN PROFIT HOLDING LIMITED were liquidated in November 2023; Suzhou E&R PRECISION EQUIPMENT CO., LTD. was liquidated in April 2024.

3. Subsidiaries not included in Consolidated Financial Statements: None.

4. Adjustment and handling methods for different accounting periods of subsidiaries: None.

5. Major restrictions:

Cash held in banks totaling NTD 50,924 thousand is located in China and is subject to local foreign exchange controls. These restrictions limit the transfer of funds outside of China, except through normal dividend distributions.

6. Subsidiary holds parent company issued securities: None.

7. Significant subsidiaries with non-controlling interests Information: None.

(IV) Retirement benefits

Pension costs during the interim period are calculated based on the pension cost rate determined by actuarial valuation as of the end of the previous financial year, using the period from the beginning of the year to the end of the interim period as the basis. It is adjusted for significant market fluctuations, major plan amendments, settlements, or other significant one-time events occurring during the current period.

(V) Income tax

Tax expense is composed of current income tax and deferred income tax. During the interim period, income tax is estimated on an annual basis by applying the tax rate applicable to the expected annual total profit to calculate the interim pre-tax profit. During the interim period, the impact of tax rate changes due to amendments in tax laws is recognized fully in the period of occurrence, following the same accounting treatment principles as the transactions that generate tax consequences.

5. Significant Accounting Judgments, Estimations and Sources of Assumption and Uncertainty

In preparing the Group's Consolidated Financial Statements, the significant judgments made in the application of accounting policies, the primary sources of significant accounting estimates and assumptions are consistent with Note 5 of the Consolidated Financial Statements for the year 2023.

6. Details of Significant Accounts

Except for the information provided below, please refer to Note 6 of the Consolidated Financial Statements for the year 2023.

(I) Cash and cash equivalents

Item	June 30, 2024	December 31, 2023	June 30, 2023
Cash	\$ 1, 756	\$ 1, 740	\$ 1, 699
Checking account	427	247	753
Demand deposit	242, 638	254, 067	407, 093
Cash equivalents			
Time deposits with original maturity within three months	465, 123	590, 359	451, 134
Total	<u>\$ 709, 944</u>	<u>\$ 846, 413</u>	<u>\$ 860, 679</u>

1. The Group engages with financial institutions of strong credit quality and diversifies its credit risk by working with multiple institutions, which significantly reduces the likelihood of default.
2. The Group has not pledged cash and cash equivalents as collateral.

(II) Financial assets and liabilities at FVTPL

Item	June 30, 2024	December 31, 2023	June 30, 2023
Mandatory measurement on financial assets at FVTPL-liquidity:			
Listed stocks and ETFs	\$ 9, 384	\$ 7, 952	\$ 7, 593
Open-ended fund	269, 005	333, 942	147, 482
Corporate bonds	–	2, 067	2, 023
Currency Exchange Contract	51	–	–
Convertible Bond			
Redemption Right	3, 027	–	–
Repurchase rights			
Total	<u>\$ 281, 467</u>	<u>\$ 343, 961</u>	<u>\$ 157, 098</u>
Mandatory measurement on Financial on financial liabilities at FVTPL - non-current:			
Convertible Bond	\$ –	\$ 9, 700	\$ 14, 400
Redemption Right			
Repurchase rights			
Total	<u>\$ –</u>	<u>\$ 9, 700</u>	<u>\$ 14, 400</u>

1. The group's net (loss) profit for the periods of April to June 2024 and 2023, and January to June 2024 and 2023, amounted to NTD 5,191 thousand, NTD 5,763 thousand and NTD 17,133 thousand, NTD 9,059 thousand respectively.
2. The Group engages in derivative financial instrument transactions primarily to hedge against risks from exchange rate fluctuations of foreign currency assets and liabilities. As of June 30, 2024, December 31, 2023, and June 30, 2023, the following contracts remained unexpired:
 - (1) Currency exchange contract:

June 30, 2024:

Contract content	Contract period	Execution price	Contract amount
Buy US dollars, sell NTD	2024.6~2024.7	32.27	USD 300,000

December 31, 2023: None.

June 30, 2023: None.
 3. The Group has not pledged financial assets measured at FVTPL.
 4. For related credit risk management and assessment methods, please refer to Note 12.

(III) Notes receivable, net

Item	June 30, 2024	December 31, 2023	June 30, 2023
Measured at amortized cost			
Total book amount	\$ 7,482	\$ 5,667	\$ 5,166
Less: Provision for loss	(3)	(2)	(5)
Notes receivable, net	<u>\$ 7,479</u>	<u>\$ 5,665</u>	<u>\$ 5,161</u>

1. The Group has not pledged notes receivable.
2. For related disclosures regarding the allowance for losses on notes receivable, please refer to Note 6 (4).

(IV) Accounts receivable, net

Item	June 30, 2024	December 31, 2023	June 30, 2023
Measured at amortized cost			
Total book amount	\$ 542,818	\$ 446,399	\$ 481,342
Less: Provision for loss	(9,402)	(10,735)	(17,015)
Accounts receivable, net	<u>\$ 533,416</u>	<u>\$ 435,664</u>	<u>\$ 464,327</u>

1. The group's accounts receivable that are neither overdue nor impaired comply with the credit standards established based on the industry characteristics, business scale, and profitability of the counterparties. The average credit period for automation equipment in the automation machinery department is 4-6 months, and for FPC equipment, it is 6-9 months (excluding the final payment, which is generally about 10%~30%,

collected according to the agreement, typically one year after delivery); other departments have a credit period of 3-4 months.

2. The Group has not pledged accounts receivable.
3. The Group applies the simplified approach of IFRS 9 to recognize the allowance for expected credit losses over the lifetime of Accounts receivable. Expected credit losses are calculated using a provision matrix, which considers the customer's past default records, current financial status, and industry economic trends. According to historical credit loss experience, there is no significant variation in the loss patterns of different customer groups. Consequently, the provision matrix does not differentiate between customer groups and sets the expected credit loss rate based on the number of days past due for accounts receivable.
4. The Group measures the allowance for losses of Notes receivable and Accounts receivable according to the preparation matrix as follows:

June 30, 2024	Expected credit loss Rate	Total book value	Provision for losses (Expected credit Losses during the Duration)	Cost after amortization
Not overdue	0%-1%	\$ 510,503	\$ (3,405)	\$ 507,098
Overdue 0~30 days	0%-20%	7,577	(400)	7,177
Overdue 31~180 days	0%-20%	14,250	(893)	13,357
Overdue 181~365 days	0%-50%	5,241	(659)	4,582
Overdue for more than 1 year	0%-100%	10,742	(2,061)	8,681
The counterparty has already defaulted signs	100%	1,987	(1,987)	-
Total		<u>\$ 550,300</u>	<u>\$ (9,405)</u>	<u>\$ 540,895</u>

December 31, 2023	Expected credit loss Rate	Total book value	Provision for losses (Expected credit Losses during the Duration)	Cost after amortization
Not overdue	0%-1%	\$ 387,512	\$ (1,837)	\$ 385,675
Overdue 0~30 days	0%-20%	29,381	(1,907)	27,474
Overdue 31~180 days	0%-20%	17,169	(1,281)	15,888
Overdue 181~365 days	0%-50%	13,778	(1,588)	12,190
Overdue for more than 1 year	0%-100%	2,224	(2,122)	102
The counterparty has already defaulted signs	100%	2,002	(2,002)	-
Total		<u>\$ 452,066</u>	<u>\$ (10,737)</u>	<u>\$ 441,329</u>

June 30, 2023	Expected credit loss Rate	Total book value	Provision for losses (Expected credit Losses during the Duration)	Cost after amortization
Not overdue	0%-1%	\$ 416,027	\$ (1,703)	\$ 414,324
Overdue 0~30 days	0%-20%	8,563	(815)	7,748
Overdue 31~180 days	0%-20%	43,463	(5,584)	37,879
Overdue 181~365 days	0%-50%	4,486	(870)	3,616
Overdue for more than 1 year	0%-100%	11,153	(5,232)	5,921
The counterparty has already defaulted signs	100%	2,816	(2,816)	-
Total		<u>\$ 486,508</u>	<u>\$ (17,020)</u>	<u>\$ 469,488</u>

5. Notes receivable and accounts receivable allowance for loss changes are as follows:

Item	January to June, 2024	January to June, 2023
Equity at beginning of period	\$ 10,737	\$ 14,813
Add: Impairment loss provision	-	2,227
Deduct: Impairment loss reversal	(1,510)	-
Foreign Exchange Difference Impact Amount	178	(20)
Equity at end of period	<u>\$ 9,405</u>	<u>\$ 17,020</u>

The amounts listed above account for collateral or other credit enhancements held, June 30, 2024, December 31, 2023, and June 30, 2023, as well as other credit enhancements (such as letters of credit) held for the aforementioned receivables, which are respectively NTD 7,975 thousand, NTD 11,274 thousand, and NTD 26,564 thousand.

If there is evidence that the counterparty is experiencing severe financial difficulties and the Group cannot reasonably expect to recover the amount, the Group will directly write off the relevant receivables. However, collection activities will continue, and any amounts recovered will be recognized in profit or loss. The accounts receivable for the contract amounts written off by the group in 2024 and from January to June 2023, amount is NTD 0.

6. For related credit risk management and assessment methods, please refer to Note 12.

(V) Inventories and Operating costs

Item	June 30, 2024	December 31, 2023	June 30, 2023
Original Supplies	\$ 517,262	\$ 527,087	\$ 593,401
Work in progress	260,156	254,880	201,706
Finished goods and goods	174,614	256,877	291,738
Total	<u>\$ 952,032</u>	<u>\$ 1,038,844</u>	<u>\$ 1,086,845</u>

1. The current period recognition as Operating costs of Inventories related profits (losses) is as follows:

	April to June, 2024	April to June, 2023
Selling Inventories cost	\$ 292,624	\$ 165,142
Inventories Impairment and Obsolescence Loss	13,517	8,860
Reduce the allocation of fixed manufacturing costs	–	446
Total operating costs	<u>\$ 306,141</u>	<u>\$ 174,448</u>

	January to June, 2024	January to June, 2023
Selling Inventories cost	\$ 468,217	\$ 412,217
Inventories Impairment and Obsolescence Loss	32,857	17,974
Reduce the allocation of fixed manufacturing costs	–	1,053
Total operating costs	<u>\$ 501,074</u>	<u>\$ 431,244</u>

2. The Group wrote down Inventories to net realizable value due to obsolescence or lack of market sales value for the periods from April to June 2024 and 2023, and from January to June in 2024 and 2023, respectively, recognizing impairment and obsolescence losses of NTD 13,517 thousand, NTD 8,860 thousand, NTD 32,857 thousand, and NTD 17,974 thousand.
3. The Group has not pledged the Inventories.

(VI) Other current financial assets

Item	June 30, 2024	December 31, 2023	June 30, 2023
Time deposit for more than 3 months	\$ 114,000	\$ 314,000	\$ 314,000
Restricted assets	23,347	28,633	22,635
Total	<u>\$ 137,347</u>	<u>\$ 342,633</u>	<u>\$ 336,635</u>

(VII) Non-current financial assets at fair value through other comprehensive income

Item	June 30, 2024	December 31, 2023	June 30, 2023
Equity tool Investment			
Domestic listed companies	\$ 26,261	\$ 26,261	\$ 22,656
Preferred Stock			
Domestic unlisted company	51,296	41,000	41,000
Stocks			
Subtotal	\$ 77,557	\$ 67,261	\$ 63,656
Evaluation adjustment	(8,093)	(15,991)	(22,944)
Total	\$ 69,464	\$ 51,270	\$ 40,712

1. The Group invests in the above-listed and unlisted domestic company stocks according to medium and long-term strategic objectives, and expects to profit through long-term investment. The management of the Group believes that including the short-term fair value fluctuations of these investments in profit or loss is inconsistent with the aforementioned long-term investment planning. Consequently, the Group has designated these investments as fair value through other comprehensive income.
2. For related credit risk management and evaluation methods, please refer to Note 12.
3. The Group has not pledged any financial assets classified as fair value through other comprehensive income.

(VIII) Property, plant and equipment

Item	June 30, 2024	December 31, 2023	June 30, 2023
Land	\$ 51,515	\$ 51,515	\$ 51,515
Housing and building	299,663	297,789	294,411
Machinery and equipment	380,778	330,597	389,005
Transportation equipment	15,687	18,132	14,605
Office equipment	22,483	14,759	17,008
Other equipment	589,115	544,965	560,723
Equipment pending inspection and incomplete projects	536,834	263,777	230,241
Total cost	\$ 1,896,075	\$ 1,521,534	\$ 1,557,508
Decrease: Accumulated depreciations	(801,077)	(761,075)	(830,706)
Accumulated impairment	(9,972)	(9,495)	(9,666)
Total	\$ 1,085,026	\$ 750,964	\$ 717,136

	Land	Housing and Construction	Machinery and equipment	Other equipment (Note)	Equipment pending inspection and Unfinished project	Total
Cost						
Balance at January 01, 2024	\$ 51,515	\$ 297,789	\$ 330,597	\$ 577,856	\$ 263,777	\$ 1,521,534
Increase	–	1,862	3,948	17,402	264,154	287,366
Disposal	–	(2,414)	(10,881)	(20,358)	–	(33,653)
Inventories Transfer	–	–	41,807	50,200	–	92,007
Reclassification	–	1,926	871	(781)	(2,016)	–
Turn Inventories	–	–	–	(3,933)	–	(3,933)
Impairment loss	–	–	–	–	(4,524)	(4,524)
Foreign exchange difference impact number	–	500	14,436	6,899	15,443	37,278
Balance at June 30, 2024	\$ 51,515	\$ 299,663	\$ 380,778	\$ 627,285	\$ 536,834	\$ 1,896,075
Accumulated depreciations and impairment						
Balance at January 01, 2024	\$ –	\$ 126,425	\$ 301,326	\$ 342,819	\$ –	\$ 770,570
Depreciation expense	–	7,330	5,061	44,127	–	56,518
Disposition	–	(2,414)	(10,881)	(20,117)	–	(33,412)
Turn Inventories	–	–	–	(556)	–	(556)
Reclassification	–	285	–	(285)	–	–
Foreign exchange difference impact number	–	103	12,213	5,613	–	17,929
Balance at June 30, 2024	\$ –	\$ 131,729	\$ 307,719	\$ 371,601	\$ –	\$ 811,049

	Land	Housing and Construction	Machinery and equipment	Other equipment (Note)	Equipment pending inspection and Unfinished project	Total
Cost						
Balance at January 01, 2023	\$ 51,515	\$ 288,435	\$ 396,588	\$ 486,378	\$ 159,768	\$ 1,382,684
Increase	–	473	573	5,086	84,683	90,815
Disposition	–	–	–	(1,252)	–	(1,252)
Inventories Transfer	–	–	–	103,311	–	103,311
Reclassification	–	5,727	–	2,078	(7,805)	–
Transfer Intangible assets	–	–	–	–	(1,295)	(1,295)
Foreign exchange difference impact number	–	(224)	(8,156)	(3,265)	(5,110)	(16,755)
Balance on June 30, 2023	\$ 51,515	\$ 294,411	\$ 389,005	\$ 592,336	\$ 230,241	\$ 1,557,508
Accumulated depreciations and impairment						
Balance at January 01, 2023	\$ –	\$ 111,903	\$ 356,720	\$ 337,734	\$ –	\$ 806,357
Depreciation expense	–	7,392	5,692	32,614	–	45,698
Disposition	–	–	–	(1,252)	–	(1,252)
Foreign exchange difference impact number	–	(41)	(7,502)	(2,888)	–	(10,431)
Balance at June 30, 2023	\$ –	\$ 119,254	\$ 354,910	\$ 366,208	\$ –	\$ 840,372

(Note) Includes transportation equipment, office equipment, and other equipment.

1. Property, plant and equipment capitalized borrowing costs and interest rate range: None.

2. Property, plant and equipment Impairment amount situation: None.
3. Information on the guarantee provided by Property, plant and equipment: Please refer to Note Eight for details.
4. The adjustments for the current period's additions and Statement of cash flows acquisition of property, plant and equipment are as follows:

Item	January to June, 2024	January to June, 2023
Property, plant and equipment Increase in number	\$ 287,366	\$ 90,815
Payable on machinery and equipment (Increase) Decrease	(9,770)	6,866
Purchase Property, plant and equipment pay cash amount	\$ 277,596	\$ 97,681

5. The Group Property, plant and equipment is depreciated on a straight-line basis over the following useful lives depreciations:

Housing and building	
Main building of the factory	25 years~50 years
Factory ancillary equipment	3 years~35 years
Machinery and transport equipment	2 years~8 years
Other equipment	2 years~10 years

(IX) Lease Agreement

1.Right-of-use assets

Item	June 30, 2024	December 31, 2023	June 30, 2023
Land	\$ 142,207	\$ 140,616	\$ 141,118
Building	95,660	97,558	163,602
Transportation equipment	5,184	4,996	6,733
Total cost	\$ 243,051	\$ 243,170	\$ 311,453
Decrease: Accumulated depreciations	(73,695)	(65,242)	(102,951)
Net amount	\$ 169,356	\$ 177,928	\$ 208,502

Cost	Land	Building	Transportation equipment	Total
Balance at January 01, 2024	\$ 140,616	\$ 97,558	\$ 4,996	\$ 243,170
Increase this period	–	–	960	960
Decrease this period	(37)	(5,273)	(772)	(6,082)
Exchange rate impact number	1,628	3,375	–	5,003
Balance at June 30, 2024	\$ 142,207	\$ 95,660	\$ 5,184	\$ 243,051

Accumulated depreciations								
Balance at January 01, 2024	\$	18,969	\$	43,327	\$	2,946	\$	65,242
Depreciation expense		3,022		8,032		844		11,898
Decrease this period		–		(4,133)		(772)		(4,905)
Exchange rate impact number		103		1,357		–		1,460
Balance at June 30, 2024	\$	22,094	\$	48,583	\$	3,018	\$	73,695

Cost	Land	Building	Transportation equipment	Total
Balance at January 01, 2023	\$ 141,864	\$ 124,542	\$ 6,227	\$ 272,633
Increase this period	–	42,114	1,261	43,375
Decrease this period	–	–	(755)	(755)
Exchange rate impact number	(746)	(3,054)	–	(3,800)
Balance at June 30, 2023	\$ 141,118	\$ 163,602	\$ 6,733	\$ 311,453

Accumulated depreciations								
Balance at January 01, 2023	\$	12, 946	\$	71, 324	\$	3, 209	\$	87, 479
Depreciation expense		3, 049		13, 583		1, 192		17, 824
Decrease this period		–		–		(755)		(755)
Exchange rate impact number		(36)		(1, 561)		–		(1, 597)
Balance at June 30, 2023	\$	15, 959	\$	83, 346	\$	3, 646	\$	102, 951

2. Lease liabilities

Item	June 30, 2024	December 31, 2023	June 30, 2023
Book value on leased liabilities			
Current	\$ 19,913	\$ 21,788	\$ 35,423
Non-current	\$ 124,254	\$ 131,450	\$ 149,126

The discount rate range for the lease liabilities is as follows:

June 30, 2024	December 31, 2023	June 30, 2023
1.56%-3.53%	1.60%-3.53%	1.56%-3.53%

For the analysis of the expiration of the lease liabilities, please refer to Note 12(3)

3. Important Leasing Activities and Terms

The Group leases certain lands and buildings for operational use, with lease terms ranging from 2 to 50 years. Some leases include renewal rights upon expiration of the lease term, and some leases calculate rent based on the area of the leased land

according to zonal values and rates or the announced current land value of the year. The Group has accounted the renewal in the lease liabilities. According to the contract, the Group is prohibited from subleasing the leased assets without the lessor's consent. As of June 30, 2024, there is no indication of impairment for right-of-use assets, therefore no impairment assessment has been conducted.

4. Subletting: None.

5. Other Leasing Information

(1) The rental-related fee information for this period is as follows:

Item	April to June, 2024	April to June, 2023
Short-term rental costs	\$ 3,648	\$ 3,253
Low-value assets lease expenses	\$ 107	\$ 136
Do not include lease liabilities changes in the measurement		
Lease payment cost	\$ -	\$ -
Total cash outflows from leasing (Note)	\$ (9,314)	\$ (11,662)

Item	January to June, 2024	January to June, 2023
Short-term rental costs	\$ 5,949	\$ 5,403
Low-value assets lease expenses	\$ 253	\$ 267
Do not include lease liabilities changes in the measurement		
Lease payment cost	\$ -	\$ -
Total cash outflows from leasing (Note)	\$ (17,185)	\$ (21,498)

(Note): It includes the principal payment amount of the lease liabilities for this period.

6. According to the information provided by right-of-use assets, please refer to the explanation in Note Eight.

(X) Intangible assets

Item	June 30, 2024	December 31, 2023	June 30, 2023
Computer software cost	\$ 24,417	\$ 22,693	\$ 31,179
Other intangible assets, net	5,000	5,000	5,000
Total cost	\$ 29,417	\$ 27,693	\$ 36,179
Decrease: Accumulated amortization	(14,864)	(11,025)	(18,089)
Net amount	\$ 14,553	\$ 16,668	\$ 18,090

	Computer software cost	Other intangible assets	Total
<u>Cost</u>			
Balance at January 01, 2024	\$ 22,693	\$ 5,000	\$ 27,693
Increase	1,841	–	1,841
Write-off upon maturity	(158)	–	(158)
The impact of foreign currency exchange differences	41	–	41
Balance at June 30, 2024	<u>\$ 24,417</u>	<u>\$ 5,000</u>	<u>\$ 29,417</u>
<u>Accumulated amortization</u>			
Balance on January 01, 2024	\$ 6,775	\$ 4,250	\$ 11,025
Amortization expense	3,483	500	3,983
Write-off upon maturity	(158)	–	(158)
Impact of foreign currency exchange differences	14	–	14
Balance at June 30, 2024	<u>\$ 10,114</u>	<u>\$ 4,750</u>	<u>\$ 14,864</u>

	Computer software cost	Other intangible assets, net	Total
<u>Cost</u>			
Balance at January 01, 2023	\$ 24,243	\$ 5,000	\$ 29,243
Increase	10,004	–	10,004
Property, plant and equipment transferred in	1,295	–	1,295
Write-off upon maturity	(4,346)	–	(4,346)
The impact of foreign currency exchange differences	(17)	–	(17)
Balance on June 30, 2023	<u>\$ 31,179</u>	<u>\$ 5,000</u>	<u>\$ 36,179</u>
<u>Accumulated amortization</u>			
Balance at January 01, 2023	\$ 14,162	\$ 3,250	\$ 17,412
Amortization expense	4,528	500	5,028
Write-off upon maturity	(4,346)	–	(4,346)
Impact of foreign currency exchange differences	(5)	–	(5)
Balance at June 30, 2023	<u>\$ 14,339</u>	<u>\$ 3,750</u>	<u>\$ 18,089</u>

(XI) Deposits paid

Item	June 30, 2024	December 31, 2023	June 30, 2023
Rental deposit	\$ 5,689	\$ 5,701	\$ 8,724
Performance bond	3,324	3,165	3,146
Other deposit	2,319	2,422	2,389
Total	<u>\$ 11,332</u>	<u>\$ 11,288</u>	<u>\$ 14,259</u>

(XII) Short-term borrowings

Loan nature	June 30, 2024	
	Amount	Interest rate
Mortgage loan	\$ 2,700	2.23%
Credit loan	1,200	2.83%
Total	<u>\$ 3,900</u>	

Loan nature	December 31, 2023	
	Amount	Interest rate
Working capital loan	<u>97,000</u>	2.075%-2.13%

June 30, 2023: None.

For Short-term borrowings, the Group provides certain other financial assets and Property, plant and equipment as collateral for borrowings, please refer to Note 8 for details.

(XIII) Other payables

Item	June 30, 2024	December 31, 2023	June 30, 2023
Salary and bonus payable	\$ 58,914	\$ 59,247	\$ 41,857
Commission payable	18,419	24,502	40,167
Handle social security and provident fund payable	11,943	11,360	11,327
Insurance expense payable	4,734	4,528	4,219
Interest payable	72	203	87
Payable on machinery and equipment	14,974	5,204	–
Employees and directors compensation payable - Early Stage	–	–	13,609
Pay employees and directors Compensation- This issue	450	4,500	–
Other	25,356	33,003	33,709
Total	<u>\$ 134,862</u>	<u>\$ 142,547</u>	<u>\$ 144,975</u>

(XIV) Current provisions

Item	June 30, 2024	December 31, 2023	June 30, 2023
Employee benefits	\$ 9, 871	\$ 9, 117	\$ 9, 259
Warranty Preparation	23, 456	22, 344	44, 064
Total	<u>\$ 33, 327</u>	<u>\$ 31, 461</u>	<u>\$ 53, 323</u>

Item	January to June, 2024		
	Employee benefits	Warranty Preparation	Total
Balance at January 01	\$ 9, 117	\$ 22, 344	\$ 31, 461
Newly added Provisions - liability	9, 089	13, 086	22, 175
Current use of Provisions - liability	(8, 335)	(11, 974)	(20, 309)
Balance at June 30	<u>\$ 9, 871</u>	<u>\$ 23, 456</u>	<u>\$ 33, 327</u>

Item	January to June, 2023		
	Employee benefits	Warranty Preparation	Total
Balance at January 01	\$ 10, 222	\$ 82, 637	\$ 92, 859
Newly added Provisions - liability	8, 692	11, 245	19, 937
Current use of Provisions - liability	(9, 655)	(49, 818)	(59, 473)
Balance at June 30	<u>\$ 9, 259</u>	<u>\$ 44, 064</u>	<u>\$ 53, 323</u>

1. Employee benefits provisions - liabilities represent the estimated short-term service leave entitlements of employees.
2. The types of guarantees provided by the Group are in accordance with agreed specifications. Warranty services related to the sales of machine products, and warranty provisions - liabilities are estimated based on the historical warranty data of the product.

(XV) Long-term liabilities due within one year or one operating cycle

Item	June 30, 2024	December 31, 2023	June 30, 2023
Due within one year long-term borrowing	<u>\$ 17, 310</u>	<u>\$ 17, 172</u>	<u>\$ 17, 021</u>

(XVI) Bonds payable

Item	June 30, 2024	December 31, 2023	June 30, 2023
The third time unsecured convertible bonds in domestic	\$ 644, 100	\$ 1, 000, 000	\$ 1, 000, 000
Decrease: Discount on corporate bonds payable	(29, 773)	(53, 705)	(61, 208)
Total	\$ 614, 327	\$ 946, 295	\$ 938, 792

1. The company was approved by the competent authority on June 22, 2022 to raise and issue the third domestic unsecured convertible bonds, with a total issuance amount of NTD 1,000,000 thousand, a coupon rate of 0%, and an issuance period of five years. The circulation period is from July 13, 2022 to July 13, 2027. The convertible bonds will be repaid in full in cash at face value upon maturity.
2. The conversion price of these convertible bonds is adjusted according to the prescribed model of the conversion method. The conversion price at issuance was NTD 67.6. Due to changes in Share capital, the conversion price has been adjusted. The conversion price from January to June, 2024 was NTD 64.74~65.08. As of June 30, 2024, 5,478 thousand shares had been converted.
3. According to the conversion method regulations, all convertible bonds repurchased by the company (including those bought back by the securities firm's business office), repaid, or already converted will be canceled, and will no longer be sold or issued, with their attached conversion rights extinguished.
4. According to the conversion regulations, the holders of this convertible bond may request conversion into the company's common stock at any time from three months after the issuance date until the maturity date,, except during the period when transfer must be suspended according to regulations or laws. The rights and obligations of the converted common stock are the same as those of the originally issued common stock.
5. From three months after issuance until 40 days before the maturity date, if the closing price of the company's common stock exceeds the conversion price of the convertible bonds at that time by 30% (inclusive) for 30 consecutive trading days or if the outstanding balance is less than 10% of the original issuance amount, the issuing company may redeem all outstanding bonds at face value in cash.
6. Bondholders may request the issuing company to repurchase at face value plus interest compensation on the third and fourth anniversaries of the issuance. The interest compensation on the third and fourth anniversaries is total percent of the face value of the bonds, which are 1.5075% and 2.0151% respectively. As of June 30, 2024, the amount requested for redemption by bondholders is NTD 0.

7. As of June 30, 2024, the company has repurchased convertible bonds issued in the open market with its own funds amounting to NTD 0.

8. Regarding the third Bonds payable conversion during this period, the situation is as follows:

Item	January to June, 2024	January to June, 2023
Bonds payable Conversion number	\$ 355,900	\$ -
Reversal of discount on bonds payable Discount on corporate bonds payable	(17,663)	-
Conversion reversal on financial assets through FVTPL	(464)	-
Equity change for this period	(337,773)	-
Cash payment for this period	\$ -	\$ -

(XVII) Long-term borrowings

Item	June 30, 2024	December 31, 2023	June 30, 2023
Secured loan	\$ 263,257	\$ 90,095	\$ 98,339
Reduction: Expires within one year	(17,310)	(17,172)	(17,021)
Total	\$ 245,947	\$ 72,923	\$ 81,318
Interest rate range	2.00%-3.45%	2.213%-2.24%	2.113%-2.213%

For the collateral of the above Bank loan, please refer to Note 8 for details.

(XVIII) Long-term deferred revenue

Item	June 30, 2024	December 31, 2023	June 30, 2023
Deferred Revenue:			
Subsidy for factory construction	\$ 18,213	\$ 17,341	\$ 17,237
Subsidy for equipment	5,972	5,972	5,972
Subtotal	\$ 24,185	\$ 23,313	\$ 23,209
Reduction: Cumulative recognition revenue	(1,061)	(862)	(663)
Reduction: Deferred revenue within one year	(398)	(398)	(398)
Equity at end of period	\$ 22,726	\$ 22,053	\$ 22,148

The subsidiary of the group - Jiangsu E&R Technology Co., Ltd. signed an investment agreement with the Management Committee of Nantong Economic and Technological Development Zone, and the committee provided a subsidy for the construction of the factory.

(XIX) Pension

1. Confirm the allocation plan

- (1) The pension system of our company and its subsidiaries within the Republic of China, applicable under the "Labor Pension Act", is a government-managed defined contribution retirement plan. A retirement pension amounting to 6% of employees' monthly salary is contributed to the individual account at the Bureau of Labor Insurance. The subsidiaries outside the Republic of China have joined defined contribution plan managed by the local government and contribute retirement pension to the local government on a monthly basis.
- (2) The group recognized retirement pension expenses of NTD 8,741 thousand, NTD 7,381 thousand, and NTD 16,990 thousand, NTD 15,807 thousand for April to June 2024 and 2023, January to June 2024 and 2023, respectively.

2. Defined benefit plan

- (1) The pension expenses related to the defined benefit plans recognized by the Group for April to June 2024 and 2023, as well as January to June 2024 and 2023, are NTD 358 thousand, NTD 34 thousand and NTD 723 thousand, NTD 68 thousand, respectively. These amounts were calculated using the pension cost rate determined by the actuarial valuation as of December 31, 2023 and 2022.
- (2) The Group estimated that before the end of the year 2023, the balance in the labor retirement special account would be insufficient to cover the estimated number of employees meeting retirement conditions in the following year. Therefore, in March 2024, the difference of NTD 2,039 thousand was allocated to the special account and offset against the net defined benefit liabilities.

(XX) Ordinary share

1. The reconciliation of the number and amount of common shares outstanding at the beginning and end of the period is as follows:

	January to June, 2024		January to June, 2023	
	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount
January 01,	98,595	\$ 985,954	100,771	\$ 1,007,703
Bonds payable conversion	4,140	41,401	302	3,026
Retirement of treasury share	–	–	(1,490)	(14,900)
Employee Stock Options	–	–	12	125
June 30	102,735	\$ 1,027,355	99,595	\$ 995,954

- (1) As of June 30, 2024, the company's authorized capital is NTD 1,500,000 thousand, divided into 150,000 thousand shares (of which 5,000 thousand shares are for stock

warrants, special shares with stock warrants, or convertible bonds with stock warrants).

- (2) The face value of the convertible bonds issued by the company that requested conversion into common stock during January and June 2024 and 2023 was NTD 355,900 thousand and NTD 0, respectively. The number of shares converted were 5,478 thousand shares and 0 thousand shares, respectively. As of June 30, 2024 and 2023, 4,140 thousand shares and 0 thousand shares have completed the change registration and were transferred to Share capital as NTD 41,401 thousand and NTD 0, respectively. Additionally, 1,338 thousand shares and 0 thousand shares have not yet completed the change registration and are recorded under certificate of entitlement to new shares from convertible bond as NTD 13,376 thousand and NTD 0.

(XXI) Capital surplus

Item	June 30, 2024	December 31, 2023	June 30, 2023
Stock issuance premium	\$ 1, 445, 602	\$ 1, 138, 916	\$ 1, 150, 468
The difference between the actual acquisition or disposal of subsidiary equity prices and the book value	9, 786	9, 786	4, 832
Stock options	42, 875	66, 565	66, 565
Employee Stock Options	14, 677	13, 474	10, 715
Other - Right to Revert	9, 083	9, 083	9, 083
Total	<u>\$ 1, 522, 023</u>	<u>\$ 1, 237, 824</u>	<u>\$ 1, 241, 663</u>

According to the Company Act, the surplus from issuing shares above par value and the Capital surplus received as donations, except when used to cover losses, may be distributed as new shares or cash to shareholders in proportion to their original shares provided the company has no accumulated losses. Under the relevant provisions of Securities and Exchange Act, capital surplus allocated to capital shall not exceed ten percent of the paid-in capital each year. Capital surplus cannot be used to cover capital deficits when the surplus reserve is insufficient to cover the capital loss. The Investments accounted for using equity method generated Capital surplus shall not be used for any purpose.

(XXII) Share-based payments

1. Employee stock options - June 2019 issuance

The company issued 1,000 units of employee stock options plan on June 01, 2019, with each unit entitling the holder to subscribe for 1,000 ordinary shares at a

subscription price of NTD 16 per share, which is not lower than 50% of the closing price of the company's ordinary shares on the issuance date of this employee stock option certificate. The exercise price will be adjusted according to a specific formula if there are changes in the company's common stock shares. The duration of the issued stock warrants is 4 years. Employees may exercise their stock warrant rights according to the employee stock warrant regulations after 2 years from the date of grant. The company's compensation costs for employee stock options recognized for April to June 2024 and 2023, and January to June 2024 and 2023 are NTD 0.

- (1) The disclosure of the number of stock options and the weighted average exercise price for the employee stock option plan for January to June, 2024 and 2023 is as follows:

January to June, 20: None.

Stock Options	January to June, 2023	
	Quantity (thousand shares)	Weighted average exercise price
Circulating at the beginning of the period	30	15.40
This issue gives	–	–
This period exercise	–	–
This issue is confiscated	(30)	–
Circulating at the end of the period	–	–
Stock options exercisable at the end of the term	–	–

- (2) The company uses the Black-Scholes option pricing model to estimate the fair value of stock options on the grant date for Share-based payments transactions.

The weighted average information and fair value of each factor are as follows:

Give to Japan	June 01, 2019
Dividend yield	0%
Expected price volatility	41.92%~43.92%
Risk-free rate	0.54%~0.55%
Expected duration	3 years~3.5 years
Weighted average fair value (per share)	NTD 14.86~NTD 15.02

2. Employee stock options - November 2021 issuance

The company issued 500 units of employee stock options as remuneration on November 15, 2021, with each unit of stock option certificate entitling the holder to purchase 1,000 ordinary shares at an exercise price of NTD 32 per share, which is not lower than 50% of the closing price of the company's ordinary shares on the issuance date of this employee stock option certificate. After the issuance of the warrants, if there is any change in the company's common stock shares, the exercise price will be

adjusted according to a specific formula. The duration of the issued stock warrants is 5 years. Employees may exercise their stock warrant rights according to the plan after 2 years from the grant date. The company's compensation cost for employee stock options recognized for April to June 2024 and 2023, and January to June 2024 and 2023 are NTD 602 thousand, NTD 1,645 thousand and NTD 1,203 thousand, NTD 3,291 thousand, respectively.

- (1) Information disclosure on the number of stock options and the weighted average exercise price for the employee stock option plan from January to June, 2024 is as follows:

	January to June, 2024	
	Quantity (thousand shares)	Weighted average exercise price
Circulating at the beginning of the period	500	30.10
This issue gives	—	—
This period exercise	—	—
This issue is confiscated	—	—
Circulating at the end of the period	500	30.10
Stock options exercisable at the end of the term	500	

	January to June, 2023	
	Quantity (thousand shares)	Weighted average exercise price
Circulating at the beginning of the period	500	31.30
This issue gives	—	—
This period exercise	—	—
This issue is confiscated	—	—
Circulating at the end of the period	500	30.10
Stock options exercisable at the end of the period	500	

- (2) As of June 30, 2024, December 31, 2023, and June 30, 2023, the relevant information regarding outstanding employee stock options is disclosed as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Range of execution price (NTD)	30.10	30.1	30.10
Weighted Average Remaining Contract Term (Years)	2.375	2.875	3.375

- (3) The company uses the Black-Scholes option pricing model to estimate the fair value of stock options on the grant date for share-based payment transactions..

The weighted average information and fair value of each factor are as follows:

Day of Given	November 15, 2021
Dividend yield	0%
Expected price volatility	43.12%~43.63%
Risk-free rate	0.40%~0.43%
Expected duration	3.5 years~4.5 years
Weighted average fair value (per share)	NTD 35.52~NTD 37.02

(XXIII) Retained earnings and dividend policy

1. According to the surplus distribution policy outlined in the Articles of Incorporation, the annual surplus, if any, shall be distributed in the following order:

- (1) Pay taxes as required by law.
- (2) Offset accumulated losses.
- (3) Allocate 10% as legal reserve, but when the accumulated legal reserve reaches the company's total capital, this requirement no longer applies.
- (4) Set aside a special surplus reserve in accordance with legal requirements or operational needs. After these allocations, the remaining balance, combined with the accumulated unappropriated retained earnings from the previous year, will be used by the board of directors to draft a shareholder dividend distribution plan, which will then be submitted to the shareholders' meeting for approval.
- (5) If the company decides to distribute dividends or part or all of the legal reserve and capital surplus in the form of cash, the board of directors is authorized to do so with the attendance of at least two-thirds of the directors and the consent of more than half of the attending directors, and subsequently report to the shareholders' meeting.

The company's dividend policy align with its operating environment and growth stage, taking into account capital expenditures, business expansion needs, sound financial planning, and the need to balance shareholder interests for sustainable development. Dividends will be distributed depending on the company's future capital expense budget and funding needs, allocating no less than 10% of the distributable profits to shareholders as dividends. However, if accumulated distributable profits are less than 5% of the paid-in share capital, distribution may not be made. When distributing shareholder dividends, they may be issued in the form of stock dividends or cash dividends, with the ratio of cash dividends being no less than 10% of the total shareholder dividends. If the company has significant investments or development policies, it may be distributed entirely as stock dividends.

2. The legal reserve may only be used to cover company losses or to issue new shares or cash in proportion to shareholders' original shares. However, for issuing new shares or cash, it is limited to the portion of the reserve that exceeds 25 percent of the paid-in capital.

3. Special reserve

Item	June 30, 2024	December 31, 2023	June 30, 2023
Other equity interest borrowing provision	\$ 31,456	\$ 36,409	\$ 36,409

When the company distributes earnings, it must comply with the legal regulations by appropriating a special reserve for the current year's balance sheet date's "Other Equity Interest" item debit balance before making any distributions. When the debit balance in the "Other Equity Interest" item is reversed in the future, the reversed amount can be added back to distributable earnings.

4. The company approved the 2023 and 2022 earning appropriation proposals and the per-share dividends at the board meetings in March 2024 and 2023, and subsequently at the shareholder meetings in June 2024 and 2023 as follows:

	Earning appropriation case		Dividend per share (yuan)	
	The year 2023	The year 2022	The year 2023	The year 2022
Legal reserve	\$ –	\$ 39,149		
Special reserve	(4,953)	25,224		
Cash dividends of ordinary share	49,829	195,545	0.5	2
Total	\$ 44,876	\$ 259,918		

5. For details on the surplus distribution as resolved by the shareholders' meeting, please refer to the Taiwan Stock Exchange's "Market Observation Post System" for inquiries.

(XXIV) Other equity interest

Item	Exchange differences in the translation of financial statements of foreign operating institutions	Unrealized profit(loss) through FVOCI	Total
Balance at January 01, 2024	\$ (15,465)	\$ (15,991)	\$ (31,456)
Financial statements of overseas operating organizations	19,482	-	19,482
Exchange difference on conversion			
Through other comprehensive income according to public	-	7,898	7,898
Fair value measurement of financial assets			
Unrealized (loss) profit			
Balance at June 30, 2024	<u>\$ 4,017</u>	<u>\$ (8,093)</u>	<u>\$ (4,076)</u>

Item	Exchange differences in the translation of financial statements of foreign operating institutions	Unrealized profit(loss) through FVOCI	Total
Balance at January 01, 2023	\$ (8,934)	\$ (27,475)	\$ (36,409)
Financial statements of overseas operating organizations	(8,770)	-	(8,770)
Exchange difference on conversion			
Through Other comprehensive income according to public	-	4,531	4,531
Fair value measurement of financial assets			
Unrealized (loss) profit			
Balance at June 30, 2023	<u>\$ (17,704)</u>	<u>\$ (22,944)</u>	<u>\$ (40,648)</u>

(XXV) Treasury shares

1. Reasons for Share Repurchase and Changes in Their Quantities

Unit: thousand
shares

Reason for recall	January to June, 2024			June 30
	January 01	Increased this period	Decrease this period	
Transfer to employees	2, 823	–	–	2, 823

Reason for recall	January to June, 2023			June 30
	January 01	Increased this period	Decrease this period	
Transfer to employees	1, 823	1, 000	–	2, 823
Maintain company credit and shareholders' equity	1, 490	1, 000	(1, 490)	1, 000

- (1) The company, on March 21, 2023, resolved to repurchase 1,000 thousand treasury shares between March 22, 2023, and May 21, 2023, to maintain the company's credit and protect shareholders' equity. By the expiration date, 1,000 thousand shares had been repurchased for NTD 50,564 thousand. The treasury shares were canceled in August 2023.
- (2) The company, on June 05, 2023 resolved to repurchase 1,000 thousand treasury shares for employee transfer, executing the buyback between June 06, 2023, and August 05, 2023. As of June 30, 2023, the execution has been completed. Our company has bought back a total of 1,000 thousand shares, amounting to NTD 60,944 thousand.
- (3) The company, on October 13, 2022, resolved to repurchase 1,000 thousand treasury shares for employee transfer between October 14, 2022, and November 13, 2022. As of the expiration date of the buyback period, the company has bought back a total of 989 thousand shares, amounting to NTD 51,706 thousand.
- (4) The Company, on October 13, 2022, resolved to repurchase 1,500 thousand treasury shares to maintain the company's credit and protect shareholders' equity between November 14, 2022, and December 13, 2022. As of the expiration date of the buyback period, the Company had bought back a total of 1,490 thousand shares, amounting to NTD 82,535 thousand. The treasury shares were canceled in March 2023.
- (5) The company, on August 17, 2021, resolved to repurchase 1,000 thousand treasury shares for employee transfer between September 18, 2021, and October 17, 2021.

As of the end of the buyback period, the company had bought back 834 thousand shares, totaling NTD 54,075 thousand.

2. According to the Securities and Exchange Act, the proportion of repurchased shares to the total issued shares must not exceed 10% of the total issued shares. The total amount of repurchased amount must not exceed the sum of retained earnings, the premium on issued shares and the realized amount of capital surplus.
3. The treasury shares held by the company cannot be pledged and do not carry shareholder rights before being transferred, in accordance with the Securities and Exchange Act.
4. Treasury shares repurchased for employee transfer must be transferred within five years from the repurchase date. If not transferred within the period, they will be regarded as unissued shares of the company and should be deregistered. To maintain the company's credit and the equity of shareholders equity, the repurchased shares should be processed for cancelation within six months from the date of repurchase.

(XXVI) Non-controlling interests

Item	January to June, 2024	January to June, 2023
Equity at beginning of period	\$ 44,175	\$ 69,255
Share attributable to non-controlling interests:		
Net profit (net loss) this year	(4,759)	(3,072)
Other comprehensive income this year	896	(798)
Non-controlling interests Decrease - Minority equity transfer	(34,503)	-
Non-controlling interests Increase - Acquisition cost and equity Net value difference	12,805	-
Equity at end of period	<u>\$ 18,614</u>	<u>\$ 65,385</u>

(XXVII) Operating revenue

Item	April to June, 2024	April to June, 2023
Customer contract of Revenue		
Total amount on operating revenue	\$ 505,336	\$ 287,391
Sales returns	(476)	(4,375)
Sales discounts and allowances	(964)	(916)
Operating revenue net amount	<u>\$ 503,896</u>	<u>\$ 282,100</u>

Item	January to June, 2024	January to June, 2023
Customer contract of Revenue		
Total operating revenue	\$ 806,670	\$ 699,302
Sales returns	(12,718)	(4,395)

Sales discounts and allowances	(2, 209)	(2, 092)
Operating revenue net amount	<u>\$ 791, 743</u>	<u>\$ 692, 815</u>

1. Explanation of customer contract

The sales of mechanical products, flexible printed circuit board products, and semiconductor materials are directed primarily at downstream manufacturers and are conducted at contractually agreed prices.

2. Customer contract Revenue segmentation

The Group's Revenue is segmented into the following main product lines and geographic regions:

April to June, 2024:

	Automation machinery	Electronic products	Net amount
<u>Major regional market</u>			
Taiwan	\$ 121, 976	\$ 10, 647	\$ 132, 623
Hong Kong and China	84, 691	40, 249	124, 940
Southeast Asia	90, 939	31, 492	122, 431
America	106, 699	–	106, 699
Europe	8, 927	–	8, 927
Other countries	4, 773	3, 503	8, 276
Total	<u>\$ 418, 005</u>	<u>\$ 85, 891</u>	<u>\$ 503, 896</u>
<u>Main product line</u>			
Automation machinery	\$ 418, 005	\$ –	\$ 418, 005
Flexible printed circuit board	–	8, 095	8, 095
Semiconductor materials	–	77, 796	77, 796
Other	–	–	–
Total	<u>\$ 418, 005</u>	<u>\$ 85, 891</u>	<u>\$ 503, 896</u>
<u>Revenue recognition timing</u>			
Fulfill performance obligations at a certain point in time	\$ 418, 005	\$ 85, 891	\$ 503, 896
Gradually fulfill performance obligations over time	–	–	–
Total	<u>\$ 418, 005</u>	<u>\$ 85, 891</u>	<u>\$ 503, 896</u>

April to June, 2023:

	Automation machinery	Electronic products	Net amount
<u>Major regional market</u>			
Taiwan	\$ 67, 685	\$ 11, 985	\$ 79, 670
Hong Kong and Mainland China	14, 875	44, 617	59, 492
Southeast Asia	67, 289	30, 494	97, 783
America	29, 375	–	29, 375
Europe	1, 095	–	1, 095
Other countries	8, 935	5, 750	14, 685

Total	\$ 189,254	\$ 92,846	\$ 282,100
<u>Main product line</u>			
Automation machinery	\$ 189,254	\$ –	\$ 189,254
Flexible printed circuit board	–	11,083	11,083
Semiconductor materials	–	80,632	80,632
Other	–	1,131	1,131
Total	\$ 189,254	\$ 92,846	\$ 282,100
<u>Revenue Recognition Timing</u>			
Fulfill performance obligations at a certain point in time	\$ 189,254	\$ 92,846	\$ 282,100
Gradually fulfill performance obligations over time	–	–	–
Total	\$ 189,254	\$ 92,846	\$ 282,100

January to June, 2024:

	Automation machinery	Electronic products	Net amount
<u>Major regional market</u>			
Taiwan	\$ 216,095	\$ 22,885	\$ 238,980
Hong Kong and China	152,650	77,122	229,772
Southeast Asia	104,778	55,068	159,846
America	140,116	–	140,116
Europe	11,123	–	11,123
Other countries	4,851	7,055	11,906
Total	\$ 629,613	\$ 162,130	\$ 791,743
<u>Main product line</u>			
Automation machinery	\$ 629,613	\$ –	\$ 629,613
Flexible printed circuit board	–	19,671	19,671
Semiconductor materials	–	142,459	142,459
Other	–	–	–
Total	\$ 629,613	\$ 162,130	\$ 791,743
<u>Revenue Recognition Timing</u>			
Fulfill performance obligations at a certain point in time	\$ 629,613	\$ 162,130	\$ 791,743
Gradually fulfill performance obligations over time	–	–	–
Total	\$ 629,613	\$ 162,130	\$ 791,743

January to June, 2023:

	Automation machinery	Electronic products	Net amount
<u>Major regional market</u>			
Taiwan	\$ 143,918	\$ 25,841	\$ 169,759
Hong Kong and China	42,586	86,863	129,449
Southeast Asia	211,387	62,536	273,923
America	89,782	–	89,782
Europe	2,288	–	2,288
Other countries	15,386	12,228	27,614
Total	<u>\$ 505,347</u>	<u>\$ 187,468</u>	<u>\$ 692,815</u>
<u>Main product line</u>			
Automation machinery	\$ 505,347	\$ –	\$ 505,347
Flexible printed circuit board	–	25,693	25,693
Semiconductor materials	–	160,116	160,116
Other	–	1,659	1,659
Total	<u>\$ 505,347</u>	<u>\$ 187,468</u>	<u>\$ 692,815</u>
<u>Revenue Recognition Timing</u>			
Fulfill performance obligations at a certain point in time	\$ 505,347	\$ 187,468	\$ 692,815
Gradually fulfill performance obligations over time	–	–	–
Total	<u>\$ 505,347</u>	<u>\$ 187,468</u>	<u>\$ 692,815</u>

3. Contract balance

The Group recognizes receivables related to customer contracts Revenue, contract assets, and contract liabilities as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Accounts receivable	\$ 540,895	\$ 441,329	\$ 469,488
Contract assets	–	–	–
Total	<u>\$ 540,895</u>	<u>\$ 441,329</u>	<u>\$ 469,488</u>
Contract liabilities - Current	\$ 41,380	\$ 23,038	\$ 31,994

(1) Significant changes in contract assets and contract liabilities

The changes in contract assets and contract liabilities primarily result from the difference between the timing of fulfilling performance obligations and the timing of customer payments, with no other significant changes.

(2) The amount recognized as revenue from beginning contract liabilities and performance obligations that were satisfied in prior periods is as follows:

The amount recognized as revenue for the period	January to June, 2024	2023	January to June, 2023
From the initial contract liabilities-product Sales	\$ 18,504	\$ 32,513	\$ 11,875
Fulfilled from previous commitments obligation	\$ –	\$ –	\$ –

(XXVIII) Employee benefits, depreciations amortization expenses

By nature	April to June, 2024		
	Belonging to Operating costs	Belonging to Operating expenses	Total
Employee benefits expenses			
Salary expenses	\$ 22,474	\$ 81,378	\$ 103,852
Labor and health insurance fees	1,047	6,053	7,100
Pension expenses	3,785	5,314	9,099
Other employee benefits expenses	1,192	3,181	4,373
Depreciation expense	9,428	25,269	34,697
Amortization expense	–	2,021	2,021
Total	\$ 37,926	\$ 123,216	\$ 161,142

By nature	April to June, 2023		
	Belonging to Operating costs	Belonging to Operating expenses	Total
Employee benefits expenses			
Salary expenses	\$ 24,108	\$ 63,079	\$ 87,187
Labor and health insurance fees	1,032	5,704	6,736
Pension expenses	3,428	3,987	7,415
Other employee benefits expenses	1,603	2,200	3,803
Depreciation expense	14,153	18,802	32,955
Amortization expense	–	2,926	2,926
Total	\$ 44,324	\$ 96,698	\$ 141,022

By nature	January to June, 2024		
	Belonging to Operating costs	Belonging to Operating expenses	Total
Employee benefits expenses			
Salary expenses	\$ 45,189	\$ 161,272	\$ 206,461
Labor and health insurance fees	2,120	12,545	14,665
Pension expenses	7,595	10,118	17,713
Other employee benefits expenses	2,257	6,398	8,655
Depreciation expense	19,251	49,165	68,416
Amortization expense	–	3,983	3,983
Total	<u>\$ 76,412</u>	<u>\$ 243,481</u>	<u>\$ 319,893</u>

By nature	January to June, 2023		
	Belonging to Operating costs	Belonging to Operating expenses	Total
Employee benefits expenses			
Salary expenses	\$ 48,942	\$ 130,292	\$ 179,234
Labor and health insurance fees	2,135	11,631	13,766
Pension expenses	7,512	8,363	15,875
Other employee benefits expenses	3,066	4,500	7,566
Depreciation expense	26,565	36,957	63,522
Amortization expense	–	5,028	5,028
Total	<u>\$ 88,220</u>	<u>\$ 196,771</u>	<u>\$ 284,991</u>

1. The company allocates 5~10% of the annual profit as employee compensation and allocates no more than 3% as director compensation. The estimated employee compensation for April to June 2024 and 2023, and January to June 2024 and 2023 are NTD 340 thousand, NTD (1,150) thousand and NTD 340 thousand, NTD 0. The estimated directors' remuneration for April to June 2024 and 2023, and January to June 2024 and 2023 are NTD 110 thousand, NTD (350) thousand and NTD 110 thousand, NTD 0 respectively.
2. The company's board of directors passed resolutions on March 6, 2024, and March 7, 2023, regarding employee and director remuneration for the years 2023 and 2022, and the related amounts recognized in the financial report are as follows:

	2023		2022	
	Employee compensation	Director remuneration	Employee compensation	Director remuneration
Resolution distribution amount	\$ 3,400	\$ 1,100	\$ 32,250	\$ 10,750
Annual financial report recognized amount	3,400	1,100	32,250	10,750
Difference amount	\$ -	\$ -	\$ -	\$ -

The above-mentioned employee remuneration is all paid in cash.

3. For information regarding the remuneration of employees and directors as approved by the company's board of directors, please refer to the Taiwan Stock Exchange "Market Observation Post System".

(XXIX) Interest revenue

Item	April to June, 2024	April to June, 2023
Interest revenue		
Interest income from bank deposits	\$ 2,874	\$ 7,309

Item	January to June, 2024	January to June, 2023
Interest revenue		
Interest income from bank deposits	\$ 6,705	\$ 15,661

(XXX) Other income

Item	April to June, 2024	April to June, 2023
Other income	-	\$ 655

Item	January to June, 2024	January to June, 2023
Rental income	\$ 102	\$ 102
Other income	1,943	1,083
Total	\$ 2,045	\$ 1,185

(XXXI) Other profits and losses

Item	April to June, 2024	April to June, 2023
Net foreign exchange profits (loss)	\$ 12,213	\$ 12,650
Disposition through profit or loss according to FVTPL	796	927
Valuation profit(loss) at FVTPL	4,395	4,836
Loss from disposal of subsidiaries	(2,329)	-
Impairment loss (Note)	(4,524)	-
Profits(loss) on disposals of property, plant and equipment	36	238
Other expenses	1,010	(38)
Total	\$ 11,597	\$ 18,613

Item	January to June, 2024	January to June, 2023
Net Foreign exchange profits (loss)	\$ 41,839	\$ 4,082
Disposition through profit or loss according to FVTPL	1,536	1,013
Valuation profit(loss) at FVTPL	15,597	8,046
Loss from disposal of subsidiaries	(2,329)	–
Impairment loss (Note)	(4,524)	–
Lease modification profit	28	–
Profit(loss) on disposals of property, plant and equipment	(182)	790
Other expenses	(356)	(38)
Total	<u>\$ 51,609</u>	<u>\$ 13,893</u>

(Note): Losses that cannot be recovered from jointly developed equipment with other manufacturers.

(XXXII) Finance costs

Item	April to June, 2024	April to June, 2023
Interest expense:		
Bank loan	\$ 2,253	\$ 658
Convertible corporate bonds	2,773	3,688
Interest on the lease liabilities	835	1,226
Less: Capitalized amount of assets	–	–
Finance costs	<u>\$ 5,861</u>	<u>\$ 5,572</u>

Item	January to June, 2024	January to June, 2023
Interest expense:		
Bank loan	\$ 2,807	\$ 1,219
Convertible Bonds	6,269	7,322
Interest on the lease liabilities	1,698	2,280
Less: Capitalized amount of assets	–	–
Finance costs	<u>\$ 10,774</u>	<u>\$ 10,821</u>

(XXXIII) Income tax

1. Tax expense components are as follows:

	<u>April to June, 2024</u>	<u>April to June, 2023</u>
<u>Current income tax</u>		
The income tax generated during the period	\$ –	\$ (5,395)
Unappropriated retained earnings	–	6,245
Additional tax amount		
Previous year income tax adjustment	(9,018)	–
Foreign taxes not creditable	903	536
Total income tax	<u>\$ (8,115)</u>	<u>\$ 1,386</u>
<u>Deferred income tax</u>		
Original occurrence and reversal of temporary differences	\$ 10,195	\$ (2,783)
Total deferred income tax	<u>\$ 10,195</u>	<u>\$ (2,783)</u>
Tax expense (profit)	<u><u>\$ 2,080</u></u>	<u><u>\$ (1,397)</u></u>

	<u>January to June, 2024</u>	<u>January to June, 2023</u>
<u>Current income tax</u>		
The income tax generated during the period	\$ –	\$ –
Unappropriated retained earnings	–	6,245
Additional tax amount		
Previous year income tax adjustment	(7,917)	–
Foreign taxes not creditable	1,083	611
Total income tax	<u>\$ (6,834)</u>	<u>\$ 6,856</u>
<u>Deferred income tax</u>		
Original occurrence and reversal of temporary differences	\$ 7,888	\$ (3,544)
Total deferred income tax	<u>\$ 7,888</u>	<u>\$ (3,544)</u>
Tax expense (profit)	<u><u>\$ 1,054</u></u>	<u><u>\$ 3,312</u></u>

The tax rate applicable to the entities of this group under the Income Tax Act is 20%. For unappropriated retained earnings, the applicable tax rate is 5%. The tax amount generated in other jurisdictions is calculated based on the applicable tax rates of each relevant jurisdiction.

2. Related other comprehensive income tax expense (income) :

<u>Item</u>	<u>April to June, 2024</u>	<u>April to June, 2023</u>
Foreign operation entity financial statement translation differences	<u>\$ 90</u>	<u>\$ (272)</u>

Item	January to June, 2024	January to June, 2023
Foreign operation entity financial statement translation differences	\$ 453	\$ (214)

3. The company's profit-seeking enterprise income tax has been approved by the tax authority up to the year 2022.

(XXXIV) Other comprehensive income

Item	April to June, 2024		
	Before tax	Income tax profit(expense)	Net amount after tax
Not reclassified to profit and loss item:			
Equity on FVOCI	\$ 2,454	\$ -	\$ 2,454
Unrealized valuation profits and losses on tool investments			
Subtotal	\$ 2,454	\$ -	\$ 2,454
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements	\$ 5,655	\$ (90)	\$ 5,565
Subtotal	\$ 5,655	\$ (90)	\$ 5,565
Recognized in Other comprehensive income	\$ 8,109	\$ (90)	\$ 8,019

Item	April to June, 2023		
	Before tax	Income tax profit(expenses)	Net amount after tax
Not reclassified to profit and loss item:			
Equity on FVOCI	\$ 6,205	\$ -	\$ 6,205
Unrealized valuation profits and losses on tool investments			
Subtotal	\$ 6,205	\$ -	\$ 6,205
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements	\$ (12,123)	\$ 272	\$ (11,851)
Subtotal	\$ (12,123)	\$ 272	\$ (11,851)
Recognized in Other comprehensive income	\$ (5,918)	\$ 272	\$ (5,646)

Item	January to June, 2024		
	Before tax	Income tax profit(expense)	Net amount after tax
Not reclassified to profit and loss item:			
Equity on FVOCI	\$ 7, 898	\$ –	\$ 7, 898
Unrealized valuation profits and losses on tool investments			
Subtotal	\$ 7, 898	\$ –	\$ 7, 898
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements	\$ 20, 831	\$ (453)	\$ 20, 378
Subtotal	\$ 20, 831	\$ (453)	\$ 20, 378
Recognized in Other comprehensive income	\$ 28, 729	\$ (453)	\$ 28, 276

Item	January to June, 2023		
	Before tax	income tax(fee) Profit	Net amount after tax
Not reclassified to profit and loss item:			
Equity on FVOCI	\$ 4, 531	\$ –	\$ 4, 531
Unrealized valuation profits and losses on tool investments			
Subtotal	\$ 4, 531	\$ –	\$ 4, 531
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements	\$ (9, 782)	\$ 214	\$ (9, 568)
Subtotal	\$ (9, 782)	\$ 214	\$ (9, 568)
Recognized in Other comprehensive income	\$ (5, 251)	\$ 214	\$ (5, 037)

(XXXV) With non-controlling interest transactions

1. Acquisition of subsidiary additional equity

The Group purchased additional 9.39% equity in the subsidiary Jiangsu E&R Technology Co., Ltd. with cash NTD 34,503 thousand in March 2024, resulting in the shareholding ratio increasing from 90.61% to 100%. Since the above transaction did not alter the Group's control over the subsidiary, the Group treated it as an equity transaction:

January to June, 2024:

Item	Jiangsu E&R Technology
The book value of the purchase of non-controlling interests	\$ 21,698
Consideration paid to non-controlling interests	(34,503)
Accumulated profit and loss- Actual acquisition or disposal of subsidiary equity price and book value	<u>\$ (12,805)</u>

January to June, 2023 years: None.

(XXXVI) Earning per share

Item	April to June, 2024	April to June, 2023
A. Basic earnings per share:		
Net profit (loss)	\$ 30,707	\$ (23,182)
The weighted average number of shares outstanding for this period (thousand shares)	99,948	96,899
Basic earnings per share (After tax) (NTD)	<u>\$ 0.31</u>	<u>\$ (0.24)</u>
B. Diluted earnings per share:		
Net profit (loss)	\$ 30,707	\$ (23,182)
Interest on convertible bonds	2,218	-
Adjusted diluted effect of net profit	<u>\$ 32,925</u>	<u>\$ (23,182)</u>
The weighted average number of shares outstanding for this period (thousand shares)	99,948	96,899
The impact of potential common stock with dilutive effect:		
Convertible bonds (thousand shares)	5,416	-
Impact of employee stock options (thousand shares)	338	-
Impact of Employee Compensation (thousand shares)	28	-
Weighted average shares outstanding after adjusting for dilutive potential common shares	105,730	96,899
Shares outstanding (thousand shares)		
Diluted earnings per share (after tax) (NTD)	<u>\$ 0.31</u>	<u>\$ (0.24)</u>

Item	January to June, 2024	January to June, 2023
A. Basic earnings per share:		
Net profit (loss)	\$ 3,287	\$ (6,893)
The weighted average number of shares outstanding for this period (thousand shares)	98,658	97,331
Basic earnings per share (after tax) (NTD)	<u>\$ 0.03</u>	<u>\$ (0.07)</u>
B. Diluted earnings per share:		

Net profit (loss)	\$	3, 287	\$	(6, 893)
Interest on convertible corporate bonds		–		–
Adjusted diluted effect of net profit(loss)	\$	3, 287	\$	(6, 893)
The weighted average number of shares outstanding for this period (thousand shares)		98, 658		97, 331
The impact of potential common stock with dilutive effect:				
Convertible corporate bonds (thousand shares)		–		–
Impact of employee stock options (thousand shares)		–		–
Impact of Employee Compensation (thousand shares)		–		–
Weighted average shares outstanding after adjusting for dilutive potential common shares		98, 658		97, 331
Shares Outstanding (thousand shares)				
Diluted earnings per share (After tax) (NTD)	\$	0. 03	\$	(0. 07)

(Note) When calculating diluted earnings per share, it is assumed that employee compensation will be distributed in the form of stock if the company opts to distribute it in either stock or cash. The weighted average number of shares outstanding will be included if the potential common shares have a dilutive effect. The dilutive effect of such potential common shares will be taken into account before calculating diluted earnings per share for the next year's resolution.

7. Related Party Transactions

(I) The parent company and the ultimate controller

This company is the ultimate controller of the group.

(II) Name of related party and its relationship: None.

(III) Significant transactions with related parties:

1. Operating revenue: None.
2. Stocking: No.
3. Contract assets: None.
4. Contract liabilities: None.
5. Accounts receivable from related parties (excluding loans to related parties): None.
6. Amounts payable to related parties (excluding borrowings from related parties): None.
7. Prepayments: None.
8. Property transaction: None.
9. Lease agreement: None.
10. Rental agreement: None.
11. Loans to related parties: None.
12. Borrowing from related parties: None.

13. Endorsement Guarantee: None.

(IV) Main management remuneration information

Related person category/Name	April to June, 2024	April to June, 2023
Salaries and other short-term employee benefits	\$ 5,220	\$ 8,004
Post-retirement benefits	258	215
Other long-term employee benefits	–	–
Resignation benefits	–	–
Share-based payments	189	517
Total	<u>\$ 5,667</u>	<u>\$ 8,736</u>

Related person category/Name	January to June, 2024	January to June, 2023
Salaries and other short-term employee benefits	\$ 14,540	\$ 13,337
Post-retirement benefits	508	439
Other long-term employee benefits	–	–
Resignation benefits	–	–
Share-based payments	378	1,034
Total	<u>\$ 15,426</u>	<u>\$ 14,810</u>

8. Pledged assets

The following assets have been provided as collateral for various loans and performance guarantees:

Item	June 30, 2024	December 31, 2023	June 30, 2023
Other current financial assets	\$ 23,347	\$ 28,633	\$ 22,635
Other non-current financial assets	6,900	6,900	6,900
Property, plant and equipment (net)	659,953	196,652	201,660
Right of use assets (net amount)	31,620	–	–
Total	<u>\$ 721,820</u>	<u>\$ 232,185</u>	<u>\$ 231,195</u>

9. Significant contingent liabilities and unrecognized contractual commitments

- (I) As of June 30, 2024, December 31, 2023, and June 30, 2023, the Group's guarantee notes issued due to loan quotas and other guarantees amounted to NTD 927,170 thousand, NTD 923,680 thousand, and NTD 924,550 thousand, respectively, recorded under the accounts of guarantee notes issued and guarantee notes payable.
- (II) As of June 30, 2024, December 31, 2023, and June 30, 2023, the Group provided all time deposit certificates amounting to NTD 710 thousand to the Kaohsiung Customs Office of the Ministry of Finance as a guarantee for import and export goods deposits.
- (III) As of June 30, 2024, December 31, 2023, and June 30, 2023, the performance bonds provided by banks for the Group's technology research and development projects under the Ministry of Economic Affairs were NTD 21,587 thousand, NTD 21,587 thousand, and NTD 9,000 thousand, respectively.

(IV) The group has opened unused letters of credit details as follows:

Item	June 30, 2024		December 31, 2023		Unit: NTD thousand June 30, 2023	
Amount of foreign letter of credit	JPY	46,329	JPY	198	JPY	17,988
	USD	679	USD	19,032	USD	246
	EUR	305	EUR	201	EUR	–

(V) The amount of bank acceptance bills for imported goods by the group is as follows:

Item	June 30, 2024		December 31, 2023		Unit: NTD thousand June 30, 2023	
Acceptance bill	JPY	38,789	JPY	114,412	JPY	96,797
	USD	141	USD	152	USD	68

(VI) To support the long-term operational development, the Group has been approved by the Management Committee of the Southern Taiwan Science Park to enter the Qiaotou Science Park. In May 2022, the board of directors approved leasing land from the Management Committee of the Southern Taiwan Science Park to build a factory building. The land was handed over in December 2022, and construction began in 2024.

(VII) Significant capital expenses under contract but not yet incurred:

Item	June 30, 2024		December 31, 2023		Unit: NTD thousand June 30, 2023	
Property, plant and equipment	\$	522,739	\$	47,715	\$	76,114

(VIII) The group signed a factory purchase contract with Zen Voce Co., Ltd. in May 2022. According to the agreement, once the Group's subsidiary, Jiangsu E&R Technology Co., Ltd. completes the construction of the new factory, it will sell part of the floors of the new factory. The group received NTD 71,056 thousand as a performance bond in July 2022, which is listed under deposits received.

10. Significant disaster losses: None.

11. Significant events after the reporting period: None.

12. Other

(I) Explanation of the seasonality or cyclicity of mid-term operations

The Group's operations are not affected by seasonal or cyclical factors.

(II) Capital Risk Management

The Group's approach to capital risk management has not significantly changed from that described in the 2023 Consolidated Financial Statements. For related explanations, please refer to Note 12(1) of the 2023 Consolidated Financial Statements.

(III) Financial instruments

1. Financial risk of financial instruments

Financial Risk Management Policy

The Group's daily operations are affected by various financial risks, including market risk (including exchange rate risk, price risk, and interest rate risk), credit risk, and liquidity risk. To reduce related financial risks, the Group is committed to identifying, assessing, and mitigating market uncertainties to minimize the potential adverse impact of market fluctuations on the Group's financial performance.

The important financial activities of the group are reviewed by the board of directors in accordance with relevant regulations and internal control systems. During the execution period of the financial plan, the Group must strictly follow the established financial operating procedures related to overall financial risk management and the division of responsibilities.

The nature and extent of significant financial risks

(1) Market risk

A. Exchange rate risk

(A) The nature and extent of significant financial risks have not changed materially from those described in the 2023 Consolidated Financial Statements. For related explanations, please refer to Note 12(2) of the 2023 Consolidated Financial Statements.

(B) Exchange Rate Risk and Sensitivity Analysis

				June 30, 2024		
				Sensitivity analysis		
	Foreign currency	Exchange rate	Account amount(NTD)	Range of change	Impact on profit and loss	Equity impact
(Foreign currency: functional currency)						
Financial assets						
Currency						
USD: TWD	16,384	32.45	531,665	Appreciate 1%	5,317	-
Yen: TWD	144,708	0.2035	29,448	Appreciate 1%	294	-
RMB: TWD	55,880	4.5532	254,432	Appreciate 1%	2,544	-
USD: RMB	2,332	7.127	75,676	Appreciate 1%	757	-
USD: HKD	1,031	7.8087	33,443	Appreciate 1%	334	-
Financial liabilities						
Currency						
USD: TWD	844	32.45	27,402	Appreciate 1%	(274)	-
USD: RMB	15,539	7.127	504,255	Appreciate 1%	(5,043)	-
USD: HKD	1,210	7.8087	39,264	Appreciate 1%	(393)	-

			December 31, 2023			
			Account amount (NTD)	Sensitivity analysis		
Foreign currency	Exchange rate	Range of change		Impact on profit and loss	Equity impact	
(Foreign currency: functional currency)						
Financial assets						
Currency						
USD: TWD	18,590	30.705	570,819	Appreciate 1%	5,708	–
Yen: TWD	278,720	0.2176	60,649	Appreciate 1%	606	–
RMB: TWD	40,788	4.3352	176,823	Appreciate 1%	1,768	–
USD: RMB	2,119	7.0828	65,074	Appreciate 1%	651	–
Financial liabilities						
Currency						
Yen: TWD	90,790	0.2176	19,756	Appreciate 1%	(198)	
USD: TWD	990	30.705	30,394	Appreciate 1%	(304)	–
USD: RMB	2,255	7.0828	69,245	Appreciate 1%	(692)	–
USD: HKD	1,396	7.8158	42,876	Appreciate 1%	(429)	–
Yen: RMB	49,987	0.0502	10,877	Appreciate 1%	(109)	–

			June 30, 2023			
			Account Amount (NTD)	Sensitivity analysis		
Foreign currency	Exchange rate	Range of change		Impact on profit and loss	Equity impact	
(Foreign currency: Functional currency)						
Financial assets						
Currency						
USD: TWD	16, 876	31.14	525, 521	Appreciate 1%	5, 255	—
Yen: TWD	453, 516	0.2159	97, 914	Appreciate 1%	979	—
RMB: TWD	36, 159	4.3096	155, 832	Appreciate 1%	1, 558	—
USD: RMB	2, 803	7.2258	87, 290	Appreciate 1%	873	—
Financial liabilities						
Currency						
USD: RMB	1, 775	7.2258	55, 286	Appreciate 1%	(553)	—
USD: HKD	1, 678	7.8373	52, 239	Appreciate 1%	(522)	—
Yen: RMB	161, 944	0.0501	34, 964	Appreciate 1%	(350)	—

If the value of the NTD appreciates relative to the aforementioned currencies, assuming all other variables remain constant, on June 30, 2024, December 31, 2023, and June 30, 2023, there will be an equal but opposite impact on the amounts of the aforementioned currencies.

The monetary item of the Group have experienced significant impacts due to exchange rate fluctuations, which have contributed to the total exchange profits and losses (including realized and unrealized) recognized in April to

June 2024 and 2023, and January to June 2024 and 2023, with the aggregate amounts being NTD 12,213 thousand, NTD 12,650 thousand, NTD 41,839 thousand, and NTD 4,082 thousand respectively.

B. Price risk

As the securities investments held by the Group in Consolidated Balance Sheets are classified as financial assets measured at Fair value through profit or loss or financial assets measured at Fair value through Other comprehensive income, the Group is therefore exposed to securities price risk.

The Group primarily invests in financial instruments such as stocks of (un) listed companies, funds, and corporate bonds. The prices of these securities are affected by the uncertainty of the future value of the investment targets. If the prices of these securities rise or fall by 1%, while all other factors remain unchanged, the net profit after tax for January to June 2024 and 2023 would be impacted by NTD 2,784 thousand and NTD 1,571 thousand, respectively, due to profits or losses from financial instruments measured at fair value through profit or loss. Additionally, Other comprehensive income (loss), net of income tax for January to June 2024 and 2023 will increase or decrease by NTD 694 thousand and NTD 407 thousand, respectively, due to the rise or fall in the fair value of financial assets measured at Fair value through Other comprehensive income.

C. Interest rate risk

The group's financial assets and financial liabilities book amounts exposed to interest rate risk as of the reporting date are as follows:

Item	Book value		
	June 30, 2024	December 31, 2023	June 30, 2023
Fair value interest rate risk:			
Financial assets	\$ 579,123	\$ 904,359	\$ 765,134
Financial liabilities	(758,494)	(1,099,533)	(1,123,341)
Net amount	<u>\$ (179,371)</u>	<u>\$ (195,174)</u>	<u>\$ (358,207)</u>
Interest rate risk on cash flow:			
Financial assets	\$ 272,885	\$ 289,600	\$ 436,628
Financial liabilities	(267,157)	(187,095)	(98,339)
Net amount	<u>\$ 5,728</u>	<u>\$ 102,505</u>	<u>\$ 338,289</u>

(A) Fair value Sensitivity analysis of interest rate risk tools

The Group has not classified any fixed-rate financial assets and liabilities as financial assets measured at Fair value through profit or loss and at Fair value through Other comprehensive income, nor has it designated derivative instruments (interest rate swaps) as hedging instruments under the fair value hedge accounting model. Therefore,

changes in the daily reported interest rate will not affect profit, loss, or other comprehensive income.

(B) Sensitivity analysis of instruments with cash flow interest rate risk

The financial instruments of the Group with variable interest rates are floating rate assets (liabilities). Consequently, changes in market interest rates cause their effective interest rates to fluctuate, leading to variations in future cash flows. A 1% decrease (increase) in market interest rates would cause net profit for January to June 2024 and 2023 to increase (decrease) by NTD 29 thousand and NTD 1,691 thousand respectively.

(2) Credit risk

Credit risk refers to the potential financial loss to the Group due to a counterparty's breach of contractual obligations. The credit risk of the Group mainly arises from receivables generated from operating activities, and cash in banks and other financial instruments generated from investing activities. Operational credit risk and financial credit risk are managed separately.

A. Operational-related credit risk

To maintain the quality of Accounts receivable, the Group has established procedures for managing operational-related credit risk. The risk assessment of individual customers considers various factors that may affect the customer's ability to make payments, including the customer's financial status, internal credit rating within the group, historical transaction records, and current economic conditions.

B. Financial credit risk

Credit risk associated with cash in banks and other financial instruments is measured and monitored by the Group's finance department. Since the counterparties to the Group's transactions are banks with good credit and financial institutions with investment grade ratings or higher, as well as corporate organizations and government agencies, there are no significant concerns about performance, and thus no significant credit risk. In addition, the Group has no investments classified as debt instruments measured at amortized cost or as financial assets measured at fair value through other comprehensive income.

(A) Credit concentration risk

As of June 30, 2024, December 31, 2023, and June 30, 2023, the percentage of the accounts receivable balance attributable to the Group's top ten customers was 53%, 55%, and 40%, respectively. The credit concentration risk of the remaining Accounts receivable is relatively insignificant.

(B) Measurement of expected credit loss:

(a) Accounts receivable: Is simplified, please refer to Note 6 (4) for details.

(b) Basis for determining whether credit risk has significantly increased:

None. (The Group has not classified any debt instrument investments as measured at amortized cost and classified as measured at Other comprehensive income through Fair value)

(C) Holding collateral and other credit enhancements to mitigate the credit risk of financial assets:

The financial assets recognized in the Consolidated Balance Sheets along with the collateral held by the Group as security, the net settlement of total agreements, and other credit enhancements have financial implications related to the maximum exposure to credit risk the relevant information is shown in the table below:

June 30, 2024	Book value	Credit risk maximum exposure reduction amount			
		Collateral	Net Settlement total Agreement	Other credit enhancements	Total
Credit instruments that are subject to the impairment requirements of IFRS 9 and have been credit-impaired Financial instruments to which the IFRS 9 impairment requirements are not applicable:	\$ -	\$ -	\$ -	\$ -	\$ -
FVTPL	281,467	-	-	-	-
Equity instrument investment on FVOCI	69,464	-	-	-	-
Total	<u>\$ 350,931</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2023	Book value	Credit risk maximum exposure reduction amount			
		Collateral	Net settlement total agreement	Other credit enhancements	Total
Credit instruments that are subject to the impairment requirements of IFRS 9 and have been credit-impaired Financial instruments to which the IFRS 9 impairment requirements are not applicable:	\$ 102	\$ -	\$ -	\$ -	\$ -
FVTPL	343,961	-	-	-	-
Equity instrument investment on FVOCI	51,270	-	-	-	-
Total	<u>\$ 395,333</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

June 30, 2023	Book value	Credit risk maximum exposure reduction amount			
		Collateral	Net Settlement total Agreement	Other credit enhancements	Total
Credit instruments that are subject to the impairment requirements of IFRS 9 and have been credit-impaired	\$ 5,921	\$ –	\$ –	\$ –	\$ –
Financial instruments to which the IFRS 9 impairment requirements are not applicable	157,098	–	–	–	–
FVTPL	40,712	–	–	–	–
Equity instrument investment on FVOCI					
Total	\$ 203,731	\$ –	\$ –	\$ –	\$ –

(3) Liquidity risk

A. Liquidity Risk Management

The objectives and policies governing the Group's management of liquidity risk have not significantly changed from those described in the 2023 Consolidated Financial Statements. For further details, please refer to Note 12(2) of the 2023 Consolidated Financial Statements Consolidated Financial Statements.

B. Financial liabilities maturity analysis

Non-derivative financial liabilities	June 30, 2024						Book value
	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years	Contract cash flow	
Short-term borrowings	\$ 3,900	\$ –	\$ –	\$ –	\$ –	\$ 3,900	\$ 3,900
Notes payable	3,588	–	–	–	–	3,588	3,588
Accounts payable	164,292	–	–	–	–	164,292	164,292
Other accounts payable	134,412	450	–	–	–	134,862	134,862
Long-term borrowings (Including due within one year)	8,740	8,570	39,811	182,761	23,375	263,257	263,257
Corporate bonds payable	–	–	–	644,100	–	644,100	614,327
Lease liabilities	12,167	10,747	17,192	43,960	85,833	169,899	144,167
Deposit	–	71,056	–	–	–	71,056	71,056
Total	<u>\$ 327,099</u>	<u>\$ 90,823</u>	<u>\$ 57,003</u>	<u>\$ 870,821</u>	<u>\$ 109,208</u>	<u>\$ 1,454,954</u>	<u>\$ 1,399,449</u>

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

	Shorter than 1 year	1-5 years	5-10 years	10-15 years	15-20 years	More than 20 years	Total unrealized lease payment
Lease liabilities	<u>\$ 22,914</u>	<u>\$ 61,152</u>	<u>\$ 28,491</u>	<u>\$ 29,867</u>	<u>\$ 21,107</u>	<u>\$ 6,368</u>	<u>\$ 169,899</u>

December 31, 2023							
Non-derivative financial liabilities	Within 6 months	7-12 months	1-2 years	2-5 years	More than 5 years	Contract cash flow	Book value
Short-term borrowings	\$ 67,000	\$ 30,000	\$ –	\$ –	\$ –	\$ 97,000	\$ 97,000
Notes payable	3,652	–	–	–	–	3,652	3,652
Accounts payable	186,032	–	–	–	–	186,032	186,032
Other Accounts Payable	142,547	–	–	–	–	142,547	142,547
Long-term borrowings (Including due within one year)	8,499	8,673	17,040	31,560	24,323	90,095	90,095
Corporate bonds payable	–	–	–	1,000,000	–	1,000,000	946,295
Lease liabilities	12,565	12,457	18,928	47,049	89,575	180,574	153,238
Ddeposit	–	–	71,056	–	–	71,056	71,056
Total	\$ 420,295	\$ 51,130	\$ 107,024	\$ 1,078,609	\$ 113,898	\$ 1,770,956	\$ 1,689,915
Derivative financial liabilities							
Liabilities on FVTPL (Including current and non-current)	\$ –	\$ –	\$ –	\$ 9,700	\$ –	\$ 9,700	\$ 9,700
Total	\$ –	\$ –	\$ –	\$ 9,700	\$ –	\$ 9,700	\$ 9,700

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

	Shorter than 1 year	1-5 years	5-10 years	10-15 years	15-20 years	More than 20 years	Total unrealized lease payment
Lease liabilities	\$ 25,022	\$ 65,977	\$ 29,428	\$ 29,867	\$ 23,422	\$ 6,858	\$ 180,574

June 30, 2023							
Non-derivative financial liabilities	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years	Contract Cash flow	Book Value
Notes payable	\$ 4,121	\$ –	\$ –	\$ –	\$ –	\$ 4,121	\$ 4,121
Accounts payable	143,787	–	–	–	–	143,787	143,787
Other Accounts Payable	131,366	13,609	–	–	–	144,975	144,975
Long-term borrowings (Including due within one year)	8,523	8,498	16,944	36,885	27,489	98,339	98,339
Corporate bonds payable	–	–	–	1,000,000	–	1,000,000	938,792
Lease liabilities	19,867	19,563	29,830	48,514	96,490	214,264	184,549
Deposit	–	–	71,056	–	–	71,056	71,056
Total	\$ 307,664	\$ 41,670	\$ 117,830	\$ 1,085,399	\$ 123,979	\$ 1,676,542	\$ 1,585,619
Derivative financial liabilities on FVTPL (Including current and non-current)	\$ –	\$ –	\$ –	\$ 14,400	\$ –	\$ 14,400	\$ 14,400
Total	\$ –	\$ –	\$ –	\$ 14,400	\$ –	\$ 14,400	\$ 14,400

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

	Shorter than 1 year	1-5 years	5-10 years	10-15 years	15-20 years	More than 20 years	Total unrealized lease payment
Lease liabilities	\$ 39,430	\$ 78,344	\$ 33,554	\$ 29,851	\$ 25,738	\$ 7,347	\$ 214,264

The Group does not expect the cash flow timing in the maturity analysis to occur significantly earlier or the actual amounts to differ significantly.

2. Types of financial instruments

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets</u>			
Financial assets measured at amortized cost			
Cash and cash equivalents	\$ 709,944	\$ 846,413	\$ 860,679
Notes receivable and accounts	540,895	441,329	469,488
Other receivables	10,485	7,345	3,613
Other current financial assets	137,347	342,633	336,635
Other non-current financial assets	6,900	6,900	6,900
Deposits paid	11,332	11,288	14,259
FVTPL-current	281,467	343,961	157,098
FVOCI-non-current	69,464	51,270	40,712
<u>Financial liabilities</u>			
Financial liabilities measured at amortized cost			
Short-term borrowings	3,900	97,000	–
Notes payable and accounts	167,880	189,684	147,908
Others accounts payable	134,862	142,547	144,975
Long-term borrowings (including due within one year)	263,257	90,095	98,339
Corporate bonds payable (Including due within one year)	614,327	946,295	938,792
Lease liabilities (including within one year)	144,167	153,238	184,549
Deposits received	71,056	71,056	71,056
Financial liabilities on FVTPL-non-current	–	9,700	14,400

(IV) Fair value information:

1. For the financial assets and financial liabilities fair value information of the group not measured at fair value, please refer to the explanation in Note 12(4) 3.

2. Definition of 3 fair value levels:

First level:

This level refers to inputs that are quoted prices for identical instruments in an active market. An active market is one where the traded items are homogeneous, buyers and sellers can be found at any time, and price information is readily accessible to the public. The fair value of the Group's investments in listed stocks, beneficiary certificates, popular Taiwan central government bonds, and publicly quoted derivatives with an active market is included.

Second level:

This level includes inputs other than quoted prices in active markets that are observable, either directly (such as prices) or indirectly (such as derived from prices)

observable inputs obtained from active markets. The group's investments in non-popular bonds, including government bonds, corporate bonds, financial bonds, convertible bonds, and most derivatives, are classified under this level.

Third level:

This level refers to inputs used in the fair value measurement that are not based on observable market data. Investments in equity instruments and convertible preferred stock investments by the Group belong to the non-active market.

3. Non-financial instruments measured at fair value

The carrying amounts of the Group's financial instruments not measured at fair value, except for those listed in the table below, such as cash and cash equivalents, receivables, other financial assets, Deposits paid, short-term borrowings, payables, lease liabilities, long-term borrowings (including those due within one year or one operating cycle), and Deposits received, approximate their fair values.

June 30, 2024				
Item	Book Value	Fair value		
		First level	Second level	Third level
Finance liabilities:				
Corporate bonds payable	\$ 614,327	\$1,281,759	\$ -	\$ -
December 31, 2023				
Item	Book Value	Fair value		
		First level	Second level	Third level
Finance liabilities:				
Corporate bonds payable	\$ 946,295	\$1,200,000	\$ -	\$ -
June 30, 2023				
Item	Book Value	Fair value		
		First level	Second level	Third level
Finance liabilities:				
Corporate bonds payable	\$ 938,792	\$1,180,000	\$ -	\$ -

4. Fair value level Information:

The financial instruments of the group measured at fair value are all based on recurrence at fair value. The information regarding the fair value levels of the Group's financial instruments is presented in the following table:

Item	June 30, 2024			
	First level	Second level	Third level	Total
Assets:				
<u>Repetitive fair value</u>				
FVTPL				
Holding non-derivative financial assets for trading	\$ 278,389	\$ –	\$ –	\$ 278,389
Currency exchange contract		51		51
Convertible bond redemption right and put option	–	3,027	–	3,027
FVOCI				
Domestic listed preferred stock	24,973	–	–	24,973
Domestic unlisted stocks	–	–	44,491	44,491
Total	<u>\$ 303,362</u>	<u>\$ 3,078</u>	<u>\$ 44,491</u>	<u>\$ 350,931</u>

Item	December 31, 2023			
	First level	Second level	Third level	Total
Assets:				
<u>Repetitive fair value</u>				
FVTPL				
Holding non-derivative financial assets for trading	\$ 343,961	\$ –	\$ –	\$ 343,961
FVOCI				
Domestic listed preferred stock	25,094	–	–	25,094
Domestic unlisted stocks	–	–	26,176	26,176
Total	<u>\$ 369,055</u>	<u>\$ –</u>	<u>\$ 26,176</u>	<u>\$ 395,231</u>
Liabilities:				
<u>Repetitive fair value</u>				
Financial liabilities on FVTPL				
-Non-current:				
Convertible corporate bond redemption right and put right	\$ –	\$ 9,700	\$ –	\$ 9,700
Total	<u>\$ –</u>	<u>\$ 9,700</u>	<u>\$ –</u>	<u>\$ 9,700</u>

Item	June 30, 2023			
	First level	Second level	Third level	Total
Assets:				
<u>Repetitive fair value</u>				
FVTPL				
Holding non-derivative financial assets for trading	\$ 157,098	\$ –	\$ –	\$ 157,098
FVOCI				
Domestic listed preferred stock	22,020	–	–	22,020
Domestic unlisted stocks	–	–	18,692	18,692
Total	<u>\$ 179,118</u>	<u>\$ –</u>	<u>\$ 18,692</u>	<u>\$ 197,810</u>
Liabilities:				
<u>Repetitive fair value</u>				
Financial liabilities on FVTPL				
-Non-current:				
Convertible corporate bond redemption right and put right	\$ –	\$ 14,400	\$ –	\$ 14,400
Total	<u>\$ –</u>	<u>\$ 14,400</u>	<u>\$ –</u>	<u>\$ 14,400</u>

5. Using the fair value evaluation technique of fair value:

- (1) If financial instruments have publicly quoted prices in an active market, these prices should be used as the fair value. The market prices announced by the main exchanges and the central government bond TPEX judged as popular bonds are all listed equity instruments and the basis of the fair value of debt instruments with active market quotations.

Financial instruments are considered to have active market public quotations if timely and frequent public prices can be obtained from exchanges, brokers, underwriters, industry associations, pricing service agencies, or regulatory authorities, and such prices represent actual and frequent fair market transactions, then the financial instruments have active market public quotations. If the above conditions are not met, the market is deemed inactive. Indicators of an inactive market include a very large bid-ask spread, a significant increase in the bid-ask spread, or very low trading volumes.

The financial instruments held by the Group, if they belong to an active market, their fair value is presented as follows by category and attribute:

- A. Listed (TPEX) company stock: Closing price.
- B. Closed-end fund: Closing price.
- C. Open-ended Fund: Net value.
- D. Government bonds: Transaction price.
- E. Company bonds: Weighted average NTD hundred prices.
- F. Convertible (transferable) corporate bonds: Closing price.

- (2) Apart from the aforementioned financial instruments with active markets, the fair value of other financial instruments is obtained using valuation techniques or by referring to counterparty quotations. The fair value obtained through valuation techniques can refer to the current fair value of other financial instruments with substantially similar conditions and characteristics, the discounted cash flow method, or other valuation techniques, including using models calculated with market information available as of Balance sheet.
- (3) The valuation of derivative financial instruments is based on valuation models widely accepted by market participants, such as the discounted cash flow method, option pricing models, and counterparty quotations. Forward foreign exchange contracts are usually valued based on the current forward exchange rate. Structured interest rate derivative financial instruments are priced using appropriate option pricing models (such as the Black-Scholes model) or other valuation methods, such as Monte Carlo simulation.
- (4) The output of the valuation model is an estimated value, and the valuation techniques may not reflect all relevant factors of the financial and non-financial instruments held by the company. Therefore, the estimated value of the

evaluation model will be appropriately adjusted according to additional parameters, such as model risk or liquidity risk, etc.

6. Movement between first level and second level: None.

7. Details of changes in the third tier:

Item	Through Other comprehensive income according to Fair value - Financial assets-equity instruments	
	January to June, 2024	January to June, 2023
Equity at beginning of period	\$ 26, 176	\$ 15, 016
Purchase more	10, 296	-
Recognized in profit and loss	-	-
Recognized in Other comprehensive income	8, 019	3, 676
Equity at end of period	\$ 44, 491	\$ 18, 692

8. Quantitative information of fair value for significant unobservable inputs (Level 3) :

The unlisted company stocks held by the Group without an active market are mainly estimated at fair value using the market approach, with the determination based on the valuation of similar companies, the company's net worth, and operational status assessment. The significant unobservable inputs used for Fair value are listed in the table below:

June 30, 2024 and December 31, 2023:

Item	Evaluation technology	Significant unobservable input values	Interval	The input value and fair value relationship
Through Other comprehensive income according to Fair value of financial assets - stocks	Market Law	Liquidity discount rate	25.52%	The higher the liquidity discount, the lower the fair value estimate

June 30, 2023:

Item	Evaluation technology	Significant unobservable input values	Interval	The input value and fair value relationship
Through Other comprehensive income according to Fair value of financial assets - stocks	Market Law	Liquidity discount rate	25.95%	The higher the liquidity discount, the lower the fair value estimate

9. Fair value classified under level 3 evaluation process

The Group uses independent source data to ensure that the valuation process for fair value classified as Level 3 accurately reflects market conditions, and regularly conducts independent fair value verification and review of financial instruments to ensure that the valuation results are reasonable.

(V) Financial assets transfer: None.

(VI) Financial assets and financial liabilities offset: None.

13. Notes Disclosures

(I) Significant Transactions (Before consolidation elimination)

1. Capital lending to others: Appendix 1.
2. Endorse for others guarantee: Appendix 2.
3. Status of securities held at the end of the period: Appendix 3.
4. The accumulated amount of buying or selling the same security reaches NTD 300 million or more than 20 percent of the paid-in capital: None.
5. The amount of real estate acquired reaches NTD 300 million or more than 20 percent of the paid-in capital: Appendix 4.
6. The amount of disposal of real estate reaches NTD 300 million or more than 20 percent of the paid-in capital: None.
7. If the amount of sales or purchases with related parties reaches NTD 100 million or 20% or more of the paid-in capital: None.
8. Accounts receivable from related parties reaching NTD 100 million or 20 percent or more of the paid-in capital: Appendix 5.
9. Engagement in derivative transactions: Please refer to Note 6(2) for details.
10. Business relationships and significant transactions between parent and subsidiary companies: Appendix 6.

(II) Information related to investment transfer matters (before consolidation offset): Appendix 7.

(III) Investments in China (Before consolidation offset): Appendix 8.

(IV) Major Shareholders (Names of shareholders with a shareholding ratio of 5% or above, number of shares held and ratio): Appendix 9.

Appendix 1

E&R Engineering Corporation and subsidiaries Lending funds to others June 30, 2024

Unit: Foreign currency thousand ; NTD
thousand

Number	The company of loan amount	Loan Target	Intercompany transactions item	Related party	The highest balance this period	Equity at end of period	Actual expenditure amount	Interest rate range	Nature of Fund Lending (Note 3)	Business transaction amount	Reasons for the necessity of short-term financing	Provision for bad debts amount	Collateral		Lending limit to individual targets (Note 1)	Maximum loan amount (Note 2)
													Item	Value		
0	E&R ENGINEERING CORPORATION	Wuxi E&R Semiconductor Materials Technology Co., Ltd.	Other receivables due from related parties (Note 4)	Yes	30,467 (USD 939)	30,467 (USD 939)	30,467 (USD 939)	-	1	37,257 (Note 5)	-	-	-	-	1,044,882	1,044,882
		Jiangsu E&R Technology Co., Ltd.	Other receivables due from related parties	Yes	356,950 (USD 11 thousand)	356,950 (USD 11 thousand)	202,617 (RMB 44,500)	1.50% ~2.50%	2	-	Operating turnover	-	-	-	1,044,882	1,044,882
1	Jiangsu E&R Technology Co., Ltd.	Chentai Trading (Shanghai) Co. Ltd.	Other receivables due from related parties	Yes	36,426 (RMB 8 thousand)	36,426 (RMB 8 thousand)	36,426 (RMB 8 thousand)	1.50%	2	-	Operating turnover	-	-	-	86,358 (RMB 18.966 thousand)	86,358 (RMB 18.966 thousand)

Note 1. The company and its subsidiaries have a lending limit to individual entities: limited to no more than 40% of the net value of the lending company for the current period.

Note 2. The maximum limit for loans provided by the company and its subsidiaries: limited to not exceeding the net value of the lending company in the current period 40%.

Note 3. The method of filling in the nature of the funds loaned is as follows:

Fill in 1 if you have business dealings.

Those who need short-term financing should fill in 2.

Note 4. In principle, our company handles the collection of receivables from related parties by closely aligning with the collection policies applied to similar transactions with non-related parties. However, when the related party is unable to implement the above policy due to insufficient funds or losses, it will be more important to consider that the company fully supports the subsidiary's operations to achieve the company's China market business goals, and the company will postpone the payment. The overdue accounts receivable from Wuxi E&R were transferred to other receivables amounting to NTD 30,467 thousand.

Note 5. Our company handles the transactions of purchasing Raw materials on behalf of Wuxi E&R as collection and payment on behalf, and does not recognize them as purchases and sales.

Note 6. The transactions between the parent and subsidiary companies have been offset.

Appendix 2

E&R Engineering Corporation and subsidiaries Act as a guarantor for others June 30, 2024

Unit: NTD and foreign currency thousand

Number	Guarantor Company Name	Endorsed Guaranteed target		Endorsement and guarantee limit for a single enterprise (Note 2)	The maximum endorsement guarantee for this period balance	End-of-term guarantee balance	Actual expenditure amount	Endorsement guarantee amount secured by property	The accumulated endorsement guarantee amounts as a percentage of the net value in the most recent financial statement	Memorize Guaranteed Maximum Amount (Note 3)	The parent company provides an endorsement guarantee for the subsidiary	Subsidiary endorses guarantee for parent company	Endorsement guarantee for mainland China
		Company Name	Relationship (Note 1)										
0	E&R ENGINEERING CORPORATION	TECH-WAVE Industrial Co., Ltd.	2	522,441	20,000	20,000	-	-	0.77%	1,306,103	Y	-	-

Note 1: There are seven types of relationships between the endorser and the endorsed guarantee, just indicate the type:

- (1) Companies with business dealings.
- (2) A company that directly and indirectly holds more than 50 percent of the voting shares.
- (3) A company that directly and indirectly holds more than 50 percent of the voting shares of the company.
- (4) Companies directly and indirectly holding more than 90 percent of the voting shares.
- (5) Companies that mutually insure each other based on contract requirements among peers or co-builders due to the needs of contracted projects.
- (6) A company jointly guaranteed by all shareholders according to their shareholding ratio due to a joint investment relationship.
- (7) Joint guarantee for the performance of pre-sale house sales contracts among peers in accordance with consumer protection laws.

Note 2: The company's endorsement guarantee limit for a single enterprise shall not exceed 20% of the company's net value, but for a single overseas affiliate, it shall not exceed 30% of the net value.

Note 3: The company's endorsement guarantee is limited to a maximum of 50% of the company's net value.

Appendix 3

E&R Engineering Corporation and subsidiaries
 Situation of holding securities at the end of the period
 June 30, 2024

Unit: Thousand shares ; NTD thousand

The company held	Types and Names of Securities	Relationship with the issuer of securities	Account item	End of term				Note
				Number of shares (units)	Book Value	Shareholding ratio	Fair value	
E&R ENGINEERING CORPORATION	Stock-Fubon Financial Holding	-	Current financial assets at fair value through profit or loss	8	612	-	612	
	ETF-Fubon Metaverse	-	Current financial assets at fair value through profit or loss	600	8,772	-	8,772	
	Fund-Allianz Global Investors B	-	Current financial assets at fair value through profit or loss	620	4,377	-	4,377	
	Fund-TACB currency market	-	Current financial assets at fair value through profit or loss	19,217	201,390	-	201,390	
	Fund-Cathay US Premium Bond Fund	-	Current financial assets at fair value through profit or loss	298	2,974	-	2,974	
	Fund-Cathay Taiwan Money Market Fund B-TWD	-	Current financial assets at fair value through profit or loss	3,940	50,605	-	50,605	
	Fund-Cathay Taiwan Money Market Fund B-USD	-	Current financial assets at fair value through profit or loss	29	9,659	-	9,659	
			Total		278,389		278,389	

The company held	Types and Names of Securities	Relationship with the issuer of securities	Account item	End of term				Note
				Number of shares (units)	Book Value	Shareholding ratio	Fair value	
E&R ENGINEERING CORPORATION	Preferred Share-Fubon Financial Preferred B Share	-	Non-current financial assets at fair value through other comprehensive income	144	8,582	-	8,582	
	Preferred Share-Fubon Preferred Share	-	Non-current financial assets at fair value through other comprehensive income	100	6,270	-	6,270	
	Preferred Share-Fubon Preferred C Share	-	Non-current financial assets at fair value through other comprehensive income	179	9,596	-	9,596	
	Preferred Stock-Taishin Preferred E Share	-	Non-current financial assets at fair value through other comprehensive income	10	525		525	
	Stock - Shyawei Optronics Corporation	-	Non-current financial assets at fair value through other comprehensive income	1,640	34,195	-	34,195	
	Stock - Jintaiyue Company	-	Non-current financial assets at fair value through other comprehensive income	412	10,296	-	10,296	
			Total		69,464		69,464	

Appendix 4

E&R Engineering Corporation and its subsidiaries

The amount for acquiring real estate reaches NTD 300 million or more than 20 percent of the paid-in capital

June 30, 2024

Unit: NTD thousand

The company that acquires real estate	Property Name	Date of Incident	Transaction amount	Payment status	Transaction counterpart	Relationship	If the transaction counterpart is a related party, the previous transfer data				Reference basis for price determination	Purpose of Acquisition and Usage Circumstances	Other agreed matters
							Everyone	Relationship with the issuer	Transfer Date	Amount			
E&R ENGINEERING CORPORATION	Qiao Ke Factory-new factory	Apr. 2024 ~ May. 2024	548,900	Pay according to the contract terms	Verizon Construction Company, Tianhan Company, etc.	No	-	-	-	-	Price comparison and negotiation	Production use	No
Jiangsu E&R Technology Co., Ltd.	Construction of the new Nantong Factory	Dec. 2021	419,354 (RMB 92,101)	Pay according to the contract terms	Nantong Wujian Holdings Group Co., Ltd.	No	-	-	-	-	Price comparison and negotiation	Production use	No

Appendix 5

E&R Engineering Corporation and its subsidiaries
Accounts receivable from related parties amounting to NTD 100 million or more than 20 percent of the paid-in capital
June 30, 2024

Unit: NTD thousand and foreign currency thousand

The company listed in accounts receivable	Name of Transaction Counterparty	Relationship	Accounts receivable from related parties balance	Turnover rate	Overdue receivables from related parties		Amount of receivables from related parties recovered after the period	Provision for bad debts amount
					Amount	Handling method		
E&R ENGINEERING CORPORATION	Jiangsu E&R Technology Co., Ltd.	Subsidiary	Accounts receivable 58,117	1.82	-	-	-	-
			Other receivables 206,629	Note 1	-	-	-	-

Note 1: Mainly refers to financial loans, so it is not applicable to the calculation of turnover rate.

Note 2: The transactions between the parent and subsidiary companies have been offset.

Appendix 6

E&R Engineering Corporation and its subsidiaries Business relationship and significant transactions between parent and subsidiary companies June 30, 2024

Individual transaction amounts not reaching NTD 10 million (inclusive) will not be disclosed; additionally, disclosure will be made based on assets and Revenue, and the corresponding transactions will no longer be disclosed.

Unit: NTD and foreign currency thousand

Number (Note 1)	Trader Name	Trading partner	Relationship with the trader (Note 2)	Transaction status			
				Subject	Amount	Transaction Terms	The ratio of the combined total revenue or assets (Note 3)
0	E&R ENGINEERING CORPORATION	Jiangsu E&R Technology Co., Ltd.	1	Sales Accounts receivable	52,776 58,117	There are no comparable transactions available, processed at the agreed price, with a credit period of 270 days.	6.67% 1.40%
		Wuxi E&R Semiconductor Materials Technology Co., Ltd.	1	Accounts receivable	36,064 (Note 4)	There are no comparable transactions available, processed at the agreed price, with a credit period of 270 days.	0.87%
		E&R(Dongguan) Semiconductor Materials Co., Ltd.	1	Accounts receivable	20,164 (Note 4)	There are no comparable transactions available, processed at the agreed price, with a credit period of 270 days.	0.49%
		Wuxi E&R Semiconductor Materials Technology Co., Ltd.	1	Other receivables	30,467	(Note 5)	0.74%
		Jiangsu E&R Technology Co., Ltd.	1	Other receivables	206,629	(Note 6)	4.99%
1	E&R(Dongguan) Semiconductor Materials Co., Ltd.	E&R Semiconductor Materials Co., Ltd.	2	Sales Accounts receivable	39,241 38,908	There are no comparable transactions available, processed at the agreed price, with a credit period of 270 days.	4.96% 0.94%
2	Jiangsu E&R Technology Co., Ltd.	Chentai Trading (Shanghai) Co. Ltd.	3	Other receivables	36,457	(Note 6)	0.88%

Note 1: Information on business transactions between the parent company and subsidiaries is respectively indicated in the number column. The method of filling in the numbers is as follows:

1. Parent company fill 0.
2. Subsidiaries are sequentially numbered starting from Arabic numeral 1 according to the parent company.

Note 2: There are three types of relationships with traders, and the second type can be:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: The calculation of the transaction amount as a percentage of total consolidated revenue or total assets, if it belongs to the Balance sheet account, is calculated as equity at end of period as a percentage of total consolidated assets; if it belongs to the profit and loss account, it is accumulated

The amount is calculated as a percentage of the total consolidated revenue.

Note 4: It is a purchasing agent raw material, handled as collection and payment on behalf, not recognized as sales and purchases.

Note 5: Is overdue Accounts receivable.

Note 6: Mainly for financial intermediation, etc.

Note 7: The transactions between the parent and subsidiary companies have been offset.

Appendix 7

E&R Engineering Corporation and its subsidiaries
Investees Information
June 30, 2024

Unit: Thousand shares; Foreign currency thousand; NTD
thousand

Investment Company Name	Invested Company Name	Location	Main business item	Original Investment Amount		End of period holding			Shareholding ratio x Investee company's year-end net value	Investee company Current profit and loss	Investment profits and losses recognized in this period	The dividend distribution situation of the invested company for this period		Note
				This end of term	The end of last year	Number of shares	Ratio	Book Value				Stock dividends	Cash dividends	
E&R ENGINEERING CORPORATION	TECH-WAVE Industrial Co., Ltd.	New Taipei City	flexible printed circuit board manufacturing, processing, and trading business	23,000	23,000	2,500	51.43%	19,708	19,708	(6,610)	(3,400)	-	-	-
	E&R Semiconductor Materials Co., Ltd.	Hong Kong	Semiconductor packaging materials trading business	84,839 (HK 20,392)	84,839 (HK 20,392)	15,000	100%	83,233	83,959	(14,479)	(14,333)	-	-	-
	ENRICHMENT TECH. CORPORATION	Samoa	Investment holding company	145,333 (USD 4,186+ NTD 18,589)	145,333 (USD 4,186+ NTD 18,589)	8,290	100%	45,301	45,694	(2,163)	(2,163)	-	-	-
	EXCELLENT INTERNATIONAL HOLDING LIMITED	British Virgin Islands	Investment holding company	286,430 (USD 9,709)	286,430 (USD 9,709)	9,709	100%	180,713	195,627	(30,513)	(30,513)	-	-	-
	EXCELLENT TECHKNOWLEDGIES HOLDINGS PTE LTD	Singapore	Investment holding company	3,293 (USD 101)	-	101	100%	3,293	3,293	16	16	-	-	-
ENRICHMENT TECH. CORPORATION	ENR APPLIED PACKING MATERIAL CORPORATION	Samoa	Investment holding company	116,979 (USD 3,886)	116,979 (USD 3,886)	10,755	100%	44,519 (USD 1,372)	44,519 (USD 1,372)	(1,734) (USD -54)	(1,734) (USD -54)	-	-	-

Note: The transactions between the parent and subsidiary companies have been offset.

Appendix 8

E&R Engineering Corporation and its subsidiaries
Investments in China
June 30, 2024

(1) Investments in China:

Unit: Foreign currency thousand : NTD thousand

Mainland China is being invested in Company Name	Main business item	Paid-up capital	Investment Methods (Note 1)	The cumulative investment amount remitted from Taiwan at the beginning of this period	Investment amount exported or recovered this period		The cumulative investment amount remitted from Taiwan this term	Investee company Current profit and loss	The shareholding ratio of the company's direct or indirect investments	Investment profits and losses for this period (Note 2)	Book value of final investment	As of this period, the investment income has been remitted back to Taiwan
					Export	Take back						
E&R(Dongguan) Semiconductor Materials Co., Ltd.	Semiconductor packaging materials production and sales business	HK 28,180 (Note 1)	(II)	117,105 (HKD 28,180)	-	-	117,105 (HKD 28,180)	(13,164) (HK-3,228)	100%	(13,164) (HK-3,228) (II) .3	83,131 (HK 20,004)	-
Wuxi E&R Semiconductor Materials Technology Co., Ltd.	Semiconductor packaging materials production and sales business	USD 5,000 (Note 2)	(II)	164,846 (USD 5,080)	-	-	164,846 (USD 5,080)	(1,734) (USD-54)	100%	(1,734) (USD-54) (II) .3	44,457 (USD 1,370)	-
Chentai Trading (Shanghai) Co., Ltd.	Automation equipment After-sales service	USD 500	(II)	16,225 (USD 500)	-	-	16,225 (USD 500)	948 (USD 30)	100%	948 (USD 30) (II) .3	3,040 (USD 94)	-
Suzhou E&R PRECISION EQUIPMENT CO., LTD.	Automation equipment production and sales business	USD 1,000	(II)	32,450 (USD 1,000)	-	-	32,450 (USD 1,000)	951 (USD 30)	100%	951 (USD 30) (II) .3	-	-
Jiangsu E&R Technology Co., Ltd.	Automation equipment production and sales business	RMB 71,900	(II)	296,641 (RMB 65,150)	-	-	296,641 (RMB 65,150)	(33,674) (USD -1,056)	100% (Note 3)	(41,978) (USD -1,316) (II) .3	215,896 (USD 6,653)	-

The cumulative amount of investment remitted from Taiwan to Mainland China for this period	Ministry of Economic Affairs Investment Commission, MOEA Approved Investment Amount	According to the Ministry of Economic Affairs Investment Commission, MOEA regulations, the investment limit for going to Mainland China
117,105 (HK 28,180) (Note 4)	117,105 (HK 28,180) (Note 1)	(Note 5)
164,846 (USD 5,080) (Note 4)	170,590 (USD 5,257) (Note 2)	
16,225 (USD 500) (Note 4)	16,225 (USD 500)	
32,450 (USD 1000) (Note 4)	32,450 (USD 1000)	
296,641 (RMB 65,150) (Note 4)	410,471 (RMB 90,150)	

- (Note 1) Our company's investment in E&R(Dongguan) Semiconductor Materials Co., Ltd. is a reinvestment through E&R Semiconductor Materials Co., Ltd. (Hong Kong). Hong Kong's investment in E&R (Dongguan) Semiconductor Materials Co., Ltd. includes fixed asset valuation investment and cash investment, totaling HK\$28,180,000. In addition, the company purchased additional equity in E&R Semiconductor Materials Co., Ltd. (Hong Kong) in May 2022, resulting in the company's indirect shareholding in E&R (Dongguan) Semiconductor Materials Co., Ltd. increasing from 81% to 90%. Therefore, the company's China investment amount is calculated as HK\$25,443 thousand based on the shareholding ratio. In August 2023, it purchased additional equity in E&R Semiconductor Materials Co., Ltd. (Hong Kong), which increased the indirect shareholding ratio in E&R (Dongguan) Semiconductor Materials Co., Ltd. from 90% to 100%. Therefore, the company's investment amount in mainland China is HKD 28,180 thousand.
- (Note2) Our company's investment in Wuxi E&R Semiconductor Materials Technology Co., Ltd. is through ENRICHMENT TECH.CORPORATION's reinvestment ENR APPLIED PACKING MATERIAL CORPORATION, then the company will reinvest in Wuxi E&R Semiconductor Materials Technology Co., Ltd., ENR APPLIED PACKING MATERIAL CORPORATION to Wuxi. The investment of Xitai Semiconductor Materials Technology Co., Ltd. includes fixed assets investment and cash investment totaling USD 5.08 million (the actual capital verification amount is USD 5.08 million, The investment of Xitai Semiconductor Materials Technology Co., Ltd. includes fixed assets investment and cash investment totaling USD 5,080 thousand (the actual capital verification amount is USD 5,080 thousand, The registered capital of the company is USD 5,000 thousand).
- (Note 3) The shareholding ratio of Jiangsu E&R Technology Co., Ltd. increased from 90.61% to 100% this period, due to Chentai Trading (Shanghai) Co. Ltd. investing its funds.
- (Note 4) The cumulative amount of investment remitted from Taiwan to mainland China by the end of the period is calculated based on the actual paid-in capital of the mainland China investee companies, according to the shareholding ratio of direct or indirect investment.
- (Note 5) Enterprises approved by the Ministry of Economic Affairs to operate headquarters are not subject to amount or ratio restrictions.
- Note 1: The investment methods are divided into the following three types, just indicate the category:
- (1) Direct investment in mainland companies
 - (2) Establish a company through investment in a third region and reinvest in mainland companies (please refer to Appendix 7)
 - (3) Other methods
- Note 2: Recognized investment profits and losses for this period:
- (1) If it is still in preparation and there are no investment profits or losses, it should be noted
 - (2) The basis for recognizing investment profits and losses is divided into the following three types, and should be noted
 1. Financial statements audited and certified by an international accounting firm that has a cooperative relationship with the Republic of China accounting firm
 2. Financial statements audited and certified by the parent company's certified public accountant in Taiwan
 3. Others
- (2) The major transactions between the company and the invested company in Mainland China from January to June, 2024 are listed as follows:
1. Situation of financial integration with mainland investment companies: See Note 13, Schedule 1.
 2. Endorsement and guarantee for mainland investment company: See Note 13, Schedule 2.
 3. Major transactions with mainland investment companies: See Note 13, Schedule 6.
- (3) The transactions between the aforementioned parent and subsidiary companies have been offset.

Appendix 9

E&R Engineering Corporation and its subsidiaries
Major Shareholders
June 30, 2024

Name of Major Shareholder	Number of shares	Shareholding ratio
No	-	-

Note: This table Major Shareholders is calculated by Taiwan Depository & Clearing Corporation based on the last business day of each quarter, considering the shareholders' holdings of the company's dematerialized registered shares (including treasury shares). Common and special shares total reach above five percent. As for the financial report of the company recorded Share capital and the actual number of dematerialized shares delivered by the company, it may be due to the basis of calculation may differ.

14. Departmental Information

(I) General Information:

For management purposes, the Group's operating decision-makers divide operating units based on the type of business operated, and they are divided into the following reportable segments:

1. Automation Machinery Department: Mainly engaged in the manufacturing, maintenance, and trading of automation machinery, etc.
2. Flexible printed circuit board department: Design, research, processing, manufacturing, and trading of flexible printed circuit board.
3. Semiconductor Packaging Materials Department: Mainly engaged in the production and sales of semiconductor materials, etc.
4. Other departments: Mainly general investment business and electronic materials processing business.

(II) Measurement Basis:

The Group's operating decision-makers primarily evaluate the performance of operating segments based on departmental Net profit. Additionally, since the Group has not included the amounts of assets and liabilities in the operational decision report, the measurement amounts of the operating segments assets and liabilities are zero. The accounting policies of the operating departments are the same as the summary of significant accounting policies described in Notes 4 on Consolidated Financial Statements.

(III) Department Financial Information:

April to June, 2024:

Unit: NTD thousand

Item	Automation machinery	Flexible printed circuit board	Semiconductor materials	Other departments	Adjustments and Disposals	Total
Revenue						
From external customers Revenue	\$ 418,005	\$ 8,095	\$ 77,796	\$ -	\$ -	\$ 503,896
Inter-departmental Revenue	4,156	10	23,626	-	(27,792)	-
Total Revenue	\$ 422,161	\$ 8,105	\$ 101,422	\$ -	\$ (27,792)	\$ 503,896
Department profit and loss	\$ 33,539	\$ (4,566)	\$ (6,360)	\$ -	\$ (317)	\$ 22,296

April to June 2023:

Unit: NTD thousand

Item	Automation machinery	Flexible printed circuit board	Semiconductor materials	Other departments	Adjustments and Disposals	Total
Revenue						
From external customers Revenue	\$ 189,254	\$ 11,083	\$ 80,632	\$ 1,131	\$ -	\$ 282,100
Inter-departmental Revenue	5,901	-	32,285	17	(38,203)	-
Total Revenue	\$ 195,155	\$ 11,083	\$ 112,917	\$ 1,148	\$ (38,203)	\$ 282,100
Department profit and loss	\$ (43,119)	\$ (2,312)	\$ (10,936)	\$ (11)	\$ 9,077	\$ (47,301)

January to June, 2024:

Unit: NTD thousand

Item	Automation machinery	Flexible printed circuit board	Semiconductor materials	Other departments	Adjustments and Disposals	Total
Revenue						
From external customers Revenue	\$ 629,613	\$ 19,671	\$ 142,459	\$ -	\$ -	\$ 791,743
Inter-departmental Revenue	59,654	22	41,719	-	(101,395)	-
Total Revenue	\$ 689,267	\$ 19,693	\$ 184,178	\$ -	\$ (101,395)	\$ 791,743
Department profit and loss	\$ (24,984)	\$ (8,094)	\$ (17,199)	\$ -	\$ 274	\$ (50,003)
Department total assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,142,405
Department total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,511,585

January to June 2023:

Unit: NTD thousand

Item	Automation machinery	Flexible printed circuit board	Semiconductor materials	Other departments	Adjustments and Disposals	Total
Revenue						
From external customers Revenue	\$ 505,347	\$ 25,693	\$ 160,116	\$ 1,659	\$ -	\$ 692,815
Inter-departmental Revenue	11,727	42	68,647	25	(80,441)	-
Total revenue	\$ 517,074	\$ 25,735	\$ 228,763	\$ 1,684	\$ (80,441)	\$ 692,815
Department profit and loss	\$ (14,878)	\$ (3,705)	\$ (15,601)	\$ (418)	\$ 8,031	\$ (26,571)
Department total assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,049,362
Department total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,732,307

(IV) Information on product categories and services

Interim financial statements are exempt from disclosure.

(V) District Information

Interim financial statements are exempt from disclosure.

(VI) Important customer information

Interim financial statements are exempt from disclosure.