

【Stock Code: 8027】

**E&R ENGINEERING CORPORATION AND  
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE NINE MONTHS ENDED SEPTEMBER 30, 2024  
AND 2023 WITH INDEPENDENT AUDITORS’  
REVIEW REPORT**

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## CONTENTS

Item	Page
1. Cover Page	1
2. Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statements of Comprehensive Income	5
6. Consolidated Statements of Changes in Equity	6
7. Consolidated Statements of Cash Flows	7
8. Notes to Consolidated Financial Statements	
(1) General Information	8
(2) The Authorization of Consolidated Financial Statements	8
(3) Application of New Amended Standards and Interpretations	8~12
(4) Summary of Significant Accounting Policies	12~16
(5) Critical Accounting Judgments, Estimates and Key Sources of Assumption Uncertainty	16
(6) Contents of Significant Accounts	17~50
(7) Related Party Transactions	50
(8) Pledged Assets	50~51
(9) Significant Contingent Liabilities and Unrecognized Contract Commitments	51~52
(10) Significant Disaster Loss	52
(11) Significant Subsequent Events After the Reporting Period	52
(12) Others	52~66
(13) Supplementary Disclosures	
A. Information on Significant Transactions	66
B. Information on Investees	66
C. Information on Investments in China	66
D. Information on Major Shareholders	66
(14) Segment Information	78~79

## **INDEPENDENT AUDITORS' REVIEW REPORT**

E&R ENGINEERING CORPORATION:

### **Introduction**

We have reviewed E&R ENGINEERING CORPORATION and its subsidiaries' consolidated balance sheets as of September 30, 2024 and 2023, and consolidated statements of comprehensive income for the 3 months and 9 months ended September 30, 2024 and 2023, consolidated statements of changes in equity and consolidated statements of cash flows for the 9 months ended September 30, 2024 and 2023, and notes to the consolidated financial statements (including a summary of significant accounting policies). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards 34, "Interim Financial Reporting" endorsed and issued into effect by Financial Supervisory Commission (FSC) of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

Except as disclosed in basis for qualified conclusion, we conducted the review in accordance with Statement of Review Standard No. 2410 "Review of Financial Statements." The procedures performed during the review of the consolidated financial statements consist of inquiries (primarily of person responsible for financial and accounting matters), analytical procedures, and other review procedures. The scope of a review is significantly narrower than that of an audit, therefore, we may not be aware of all significant matters that could be identified through an audit, and hence we do not express an audit opinion.

### **Basis for Qualified Conclusion**

As disclosed in Note 4(3), the financial statements of immaterial subsidiaries and related information disclosed in Note 13 were consolidated based on their unreviewed financial statements as of the same period. The total assets of these subsidiaries as of September 30, 2024 and 2023 amounted to \$1,219,353 thousand and \$839,480 thousand, respectively, representing 28.64% and 20.47% of the consolidated assets, while total liabilities amounted to \$861,190 thousand and \$353,015 thousand, respectively, representing 56.34% and 20.31% of the consolidated liabilities. The total comprehensive income for the 3 months and 9 months ended September 30, 2024 and 2023 amounted to \$(28,847) thousand, \$(661) thousand, \$(65,822) thousand, and \$(32,827) thousand, respectively, representing 69.72%, (1.33%) and 451.70%, (94.75%) of the consolidated comprehensive income.

**Qualified Conclusion**

Based on the results of our reviews, except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain immaterial consolidated subsidiaries, investments accounted for using the equity method and the information disclosed in Note 13 been reviewed by independent auditors as described in the Basis for qualified conclusion section above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2024 and 2023, and of its consolidated financial performance for the 3 months and 9 months ended September 30, 2024 and 2023 and its consolidated cash flows for the 9 months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Crowe (TW) CPAs

CPA: Hsieh, Ren Yao

CPA: Lee, Kuo Ming

November 6, 2024

E&R ENGINEERING CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
September 30, 2024, December 31, 2023, and September 30, 2023

Unit: Thousands of NTD

		September 30, 2024		December 31, 2023		September 30, 2023	
Code	Assets	Amount	%	Amount	%	Amount	%
Current Assets							
1100	Cash and cash equivalents (Note 6(1))	\$ 794,353	19	\$ 846,413	20	\$ 871,763	21
1110	Financial assets at fair value through profit or loss – current (Note 6(2))	290,803	7	343,961	8	347,194	8
1150	Notes receivable, net (Note 6(3))	4,031	–	5,665	–	11,385	–
1170	Accounts receivable, net (Note 6(4))	464,474	11	435,664	10	528,638	13
1200	Other receivables	9,864	–	7,345	–	6,492	–
1220	Current tax assets	43	–	42	–	33	–
130x	Inventories (Note 6(5))	940,764	21	1,038,844	27	1,073,363	26
1410	Prepayments	109,962	3	61,375	1	63,536	2
1476	Other financial assets – current (Note 6(6))	127,974	3	342,633	8	143,679	4
11xx	Total Current Assets	2,742,268	64	3,081,942	74	3,046,083	74
Noncurrent Assets							
1517	Financial assets at fair value through other comprehensive income or loss – noncurrent (Note 6(7))	86,827	2	51,270	1	43,759	1
1600	Property, plant and equipment (Note 6(8))	1,178,226	29	750,964	19	735,519	18
1755	Right-of-use assets (Note 6(9))	167,495	4	177,928	4	187,452	5
1780	Intangible assets (Note 6(10))	15,145	–	16,668	–	16,984	–
1840	Deferred tax assets	48,718	1	51,799	1	49,727	1
1920	Refundable deposit (Note 6(11))	12,281	–	11,288	1	14,467	1
1960	Current prepayments for investments	–	–	10,000	–	–	–
1980	Other financial assets – noncurrent (Note 8)	5,900	–	6,900	–	6,900	–
15xx	Total Noncurrent Assets	1,514,592	36	1,076,817	26	1,054,808	26
1xxx	Total Assets	\$ 4,256,860	100	\$ 4,158,759	100	\$ 4,100,891	100
Liabilities and Equity							
Current Liabilities							
2100	Short-term loans (Note 6(12))	\$ 32,700	1	\$ 97,000	2	\$ –	–
2120	Financial liabilities at fair value through profit or loss – current (Note 6(2))	422	–	–	–	–	–
2130	Contract liabilities – current (Note 6(27))	23,002	1	23,038	1	36,274	1
2150	Notes payable	4,802	–	3,652	–	6,236	–
2170	Accounts payable	218,313	4	186,032	4	167,614	4
2200	Other payables (Note 6(13))	175,960	4	142,547	3	145,789	4
2230	Current tax liabilities	6	–	22,962	1	15,343	–
2250	Provisions - current (Note 6(14))	34,792	1	31,461	1	53,228	1
2280	Lease liabilities – current (Note 6(9))	21,345	1	21,788	1	23,050	1
2310	Advance receipts (Note 6(18))	1,301	–	398	–	398	–
2320	Current portion of long-term loans (Note 6(15))	26,335	1	17,172	–	17,105	–
21xx	Total Current Liabilities	538,978	13	546,050	13	465,037	11

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Code	Liabilities and Equity	September 30, 2024		December 31, 2023		September 30, 2023	
		Amount	%	Amount	%	Amount	%
	Noncurrent liabilities						
2500	Financial liabilities at fair value through profit or loss – noncurrent (Note 6(2))	–	–	9,700	–	7,700	–
2530	Bonds payable (Note 6(16))	483,961	11	946,295	24	942,536	24
2540	Long-term loans (Note 6(17))	284,122	7	72,923	2	77,121	2
2570	Deferred tax liabilities	587	–	276	–	5,028	–
2580	Lease liabilities - noncurrent (Note 6(9))	120,680	3	131,450	3	138,394	3
2630	Long-term deferred revenue (Note 6(18))	21,502	1	22,053	1	22,790	1
2640	Net defined benefit liabilities - noncurrent	7,545	–	9,584	–	8,079	–
2645	Guarantee deposits (Note 9(8))	71,056	1	71,056	1	71,056	1
25xx	Total noncurrent liabilities	989,453	23	1,263,337	31	1,272,704	31
2xxx	Total Liabilities	1,528,431	36	1,809,387	44	1,737,741	42
	Equity						
	Equity attributable to owners of parent						
3100	Share capital (Note 6 (20))						
3110	Common stock	1,027,355	24	985,954	24	985,954	24
3130	Bond conversion entitlement certificates	34,800	1	–	–	–	–
3140	Capital collected in advance	2,120	–	–	–	–	–
3200	Capital surplus (Note 6(21))	1,637,464	39	1,237,824	29	1,237,192	31
3300	Retained earnings (Note 6(23))						
3310	Legal reserve	77,177	1	77,177	2	77,177	2
3320	Special reserve	31,456	1	36,409	1	36,409	1
3350	Unappropriated earnings	70,242	2	166,014	4	163,654	4
3400	Other equity (Note 6(24))	(3,175)	–	(31,456)	(1)	(24,935)	(1)
3500	Treasury shares (Note 6(25))	(166,725)	(4)	(166,725)	(4)	(166,725)	(4)
31xx	Total equity attributable to owners of parent	2,710,714	64	2,305,197	55	2,308,726	57
36xx	Non-controlling interests (Note 6(26))	17,715	–	44,175	1	54,424	1
3xxx	Total Equity	2,728,429	64	2,349,372	56	2,363,150	58
	Total Liabilities and Equity	\$ 4,256,860	100	\$ 4,158,759	100	\$ 4,100,891	100

(Please refer to the accompanying notes on the consolidated financial statements.)

Chairman: Wang, Ming-Chin

Manager: Eric Chang

Accounting Supervisor: Max Cao

E&R ENGINEERING CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
For the 9 Months Ended September 30, 2024 and 2023

Unit: Thousands of NTD

Code	Item	3 Months Ended September 30, 2024		3 Months Ended September 30, 2023		9 Months Ended September 30, 2024		9 Months Ended September 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Note 6(27))	\$ 422,485	100	\$ 423,056	100	\$ 1,214,228	100	\$ 1,115,871	100
5000	Operating costs (Note 6(5))	(279,785)	(66)	(248,790)	(59)	(780,859)	(65)	(680,034)	(61)
5900	Gross profit (loss)	142,700	34	174,266	41	433,369	35	435,837	39
	Operating expenses								
6100	Sales and marketing	(60,312)	(14)	(61,682)	(14)	(178,577)	(15)	(173,117)	(15)
6200	General and administrative	(61,558)	(15)	(44,045)	(10)	(156,589)	(13)	(121,164)	(11)
6300	Research and development expense	(64,600)	(15)	(57,312)	(14)	(193,486)	(15)	(154,673)	(14)
6450	Expected credit losses (reversal) (Note 6(4))	4,232	1	1,447	-	5,742	-	(780)	-
6000	Total operating expenses	(182,238)	(43)	(161,592)	(38)	(522,910)	(43)	(449,734)	(40)
6900	Income (loss) from operations	(39,538)	(9)	12,674	3	(89,541)	(8)	(13,897)	(1)
	Non-operating income and expenses								
7100	Interest income (Note 6(29))	3,213	1	3,436	1	9,918	1	19,097	2
7010	Other income (Note 6(30))	5,031	1	1,742	-	7,076	1	2,927	-
7020	Other gains and losses (Note 6(31))	(7,420)	(2)	29,912	7	44,189	3	43,805	3
7050	Finance cost (Note 6(32))	(4,979)	(1)	(5,385)	(1)	(15,753)	(1)	(16,206)	(1)
7000	Total non-operating income and expenses	(4,155)	(1)	29,705	7	45,430	4	49,623	4
7900	Income (loss) before income tax	(43,693)	(10)	42,379	10	(44,111)	(4)	35,726	3
7950	Income tax benefit (expense) (Note 6(33))	3,642	1	(9,601)	(2)	2,588	-	(12,913)	(1)
8200	Net income(loss)	(40,051)	(9)	32,778	8	(41,523)	(4)	22,813	2
	Other comprehensive income(loss)(Note 6(34))								
8310	Items that will not be reclassified to profit or loss								
8316	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	1,148	-	(558)	-	9,046	1	3,973	-
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translating foreign operations	(2,537)	-	17,865	4	18,294	1	8,083	1
8399	Income tax benefit (expense) related to item that may be reclassified subsequently to profit or loss	64	-	(436)	-	(389)	-	(222)	-
8300	Total other comprehensive income (loss), net of income tax	(1,325)	-	16,871	4	26,951	2	11,834	1
8500	Total comprehensive income (loss)	\$ (41,376)	(9)	\$ 49,649	12	\$ (14,572)	(2)	\$ 34,647	3
8600	Net income (loss) attributable to:								
8610	Shareholders of the parent	\$ (39,152)	(9)	\$ 34,263	8	\$ (35,865)	(4)	\$ 27,370	2
8620	Non-controlling interests	(899)	-	(1,485)	-	(5,658)	-	(4,557)	-
		\$ (40,051)	(9)	\$ 32,778	8	\$ (41,523)	(4)	\$ 22,813	2
8700	Total comprehensive income (loss) attributable to:								
8710	Shareholders of the parent	\$ (40,477)	(9)	\$ 49,976	12	\$ (9,810)	(2)	\$ 38,844	3
8720	Non-controlling interests	(899)	-	(327)	-	(4,762)	-	(4,197)	-
		\$ (41,376)	(9)	\$ 49,649	12	\$ (14,572)	(2)	\$ 34,647	3
	Earnings (losses) per share								
9750	Basic (Note 6(36))	\$ (0.38)		\$ 0.36		\$ (0.36)		\$ 0.28	
9850	Diluted (Note 6(36))	\$ (0.38)		\$ 0.33		\$ (0.36)		\$ 0.28	

(Please refer to the accompanying notes on the consolidated financial statements.)

Chairman: Wang, Ming-Chin

Manager: Eric Chang

Accounting Supervisor: Max Cao

E&R ENGINEERING CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
For the 9 Months Ended September 30, 2024 and 2023

Unit: Thousands of NTD

	Equity Attributable to Owners of the Parent													Non-controlling Interests	Total Equity
	Share Capital				Retained Earnings			Other Equity Interest							
	Ordinary Shares	Bond Conversion Entitlement Certificate	Share Capital Received in Advance	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Financial Statements Translation Differences of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at FVOCI	Treasury Stock	Total Equity Attributable to Owners of the Parent				
January 1, 2023 Balance	\$ 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 of earnings:															
Legal reserve appropriated	-	-	-	-	39,149	-	(39,149)	-	-	-	-	-	-		
Special reserve appropriated	-	-	-	-	-	25,224	(25,224)	-	-	-	-	-	-		
Cash dividends of common stock	-	-	-	-	-	-	(195,545)	-	-	-	(195,545)	-	(195,545)		
Net income(loss) for nine months ended September 30, 2023	-	-	-	-	-	-	27,370	-	-	-	27,370	(4,557)	22,813		
Other comprehensive income (loss) for nine months ended September 30, 2023	-	-	-	-	-	-	-	7,501	3,973	-	11,474	360	11,834		
Total comprehensive income (loss) for nine months ended September 30, 2023	-	-	-	-	-	-	27,370	7,501	3,973	-	38,844	(4,197)	34,647		
Bond conversion entitlement certificate	3,026	(3,026)	-	-	-	-	-	-	-	-	-	-	-		
Treasury shares repurchased	-	-	-	-	-	-	-	-	-	(111,508)	(111,508)	-	(111,508)		
Treasury shares canceled	(24,900)	-	-	(44,776)	-	-	(63,423)	-	-	133,099	-	-	-		
The difference between equity price and book value of subsidiaries acquired or disposed of	-	-	-	5,434	-	-	-	-	-	-	5,434	-	5,434		
Share-based payments transaction	125	-	(125)	4,937	-	-	-	-	-	-	4,937	-	4,937		
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(10,634)	(10,634)		
September 30, 2023 Balance	\$ 985,954	\$ -	\$ -	\$ 1,237,192	\$ 77,177	\$ 36,409	\$ 163,654	\$ (1,433)	\$ (23,502)	\$ (166,725)	\$ 2,308,726	\$ 54,424	\$ 2,363,150		
January 1, 2024 Balance	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 of earnings:															
Cash dividends of common stock	-	-	-	-	-	-	(49,829)	-	-	-	(49,829)	-	(49,829)		
Reversal of special reserve	-	-	-	-	-	(4,953)	4,953	-	-	-	-	-	-		
Net income (loss) for nine months ended September 30,2024	-	-	-	-	-	-	(35,865)	-	-	-	(35,865)	(5,658)	(41,523)		
Other comprehensive income (loss) for nine months ended September 30,2024	-	-	-	-	-	-	-	17,009	9,046	-	26,055	896	26,951		
Total comprehensive income (loss) for nine months ended September 30,2024	-	-	-	-	-	-	(35,865)	17,009	9,046	-	(9,810)	(4,762)	(14,572)		
Conversion of convertible bonds	-	76,201	-	393,617	-	-	-	-	-	-	469,818	-	469,818		
Bond conversion entitlement certificate	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	-	-	2,120	6,023	-	-	-	-	-	-	8,143	-	8,143		
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(21,698)	(21,698)		
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	(2,226)	-	2,226	-	-	-	-		
September 30, 2024 Balance	\$ 1,027,355	\$ 34,800	\$ 2,120	\$ 1,637,464	\$ 77,177	\$ 31,456	\$ 70,242	\$ 1,544	\$ (4,719)	\$ (166,725)	\$ 2,710,714	\$ 17,715	\$ 2,728,429		

(Please refer to the accompanying notes on the consolidated financial statements.)

Chairman: Wang, Ming-Chin

Manager: Eric Chang

Accounting Supervisor: Max Cao



**E&R ENGINEERING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the 9 Months Ended September 30, 2024 and 2023

Unit: Thousands of NTD

Item	9 Months Ended September 30, 2024	9 Months Ended September 30, 2023
Cash flows from operating activities		
Income (loss) before income tax	\$ (44,111)	\$ 35,726
Adjustments for		
Income and expenses having no effect on cash flows		
Depreciation	110,643	98,023
Amortization expense	6,172	7,720
Expected credit losses (reversal)	(5,742)	780
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(20,982)	(16,373)
Interest expense	15,753	16,206
Interest income	(9,918)	(19,097)
Dividend income	(942)	(890)
Share-based benefit compensation cost	1,804	4,937
Loss (gain) on disposal of retirement of property, plant and equipment	916	(397)
Impairment loss on non-financial assets	4,524	-
Loss (gain) on lease modification	(28)	(1,361)
Others	(373)	(298)
Total income and expenses having no effect on cash flows	101,827	89,250
Changes in operating assets and liabilities		
Net changes in operating assets		
Financial assets at fair value through profit or loss	63,870	(227,978)
Notes receivable	1,630	11,533
Accounts receivable	(23,194)	222,441
Other receivables	(2,658)	1,634
Inventories	(5,399)	17,639
Prepayments	(48,587)	26,709
Other financial assets	203,000	473,461
Total net changes in operating assets	188,662	525,439
Net changes in operating liabilities		
Contract liabilities	(36)	(913)
Notes payable	1,150	(608)
Accounts payable	32,281	(147,713)
Other payable	(14,237)	(81,270)
Provisions	3,331	(39,631)
Net defined benefit liabilities	(2,039)	(2,525)
Total net changes in operating liabilities	20,450	(272,660)
Total changes in operating assets and liabilities	209,112	252,779

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Item	9 Months Ended September 30, 2024	9 Months Ended September 30, 2023
Total adjustments	\$ 310,939	\$ 342,029
Cash generated from (used in) operations	266,828	377,755
Interest received	10,057	20,155
Dividends received	942	890
Interest paid	(7,410)	(5,151)
Income tax refund (paid)	(17,165)	(82,630)
Net cash generated from (used in) operating activities	253,252	311,019
Cash flows from investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(43,313)	(3,605)
Proceeds from disposal of financial assets at fair value through other comprehensive income	26,802	-
Acquisition of property, plant and equipment	(357,246)	(126,379)
Proceeds from disposal of property, plant and equipment	59	848
Increase in refundable deposits	(993)	(1,767)
Acquisition of intangible assets	(4,383)	(11,567)
Increase in other financial assets	-	(11,288)
Decrease in other financial assets	12,659	-
Net cash generated from (used in) investing activities	(366,415)	(153,758)
Cash flows from financing activities		
Decrease in short-term loans	(64,300)	(4,500)
Increase in long-term loans	219,909	-
Repayments of long-term loans	-	(12,304)
Repayments of principal of lease liabilities	(20,999)	(23,445)
Cash dividends paid	(49,829)	(195,545)
Exercise of employee share options	6,339	-
Treasury stock buyback cost	-	(111,508)
Changes in non-controlling interests	(34,503)	(5,200)
Net cash generated from (used in) financing activities	56,617	(352,502)
Effect of exchange rate changes on cash and cash equivalents	4,486	2,176
Net increase (decrease) in cash and cash equivalents	(52,060)	(193,065)
Cash and cash equivalents, beginning of the year	846,413	1,064,828
Cash and cash equivalents, end of September 30	\$ 794,353	\$ 871,763

(Please refer to the accompanying notes on the consolidated financial statements.)

Chairman: Wang, Ming-Chin

Manager: Eric Chang

Accounting Supervisor: Max Cao

# E&R ENGINEERING CORPORATION AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

For the 9 Months Ended September 30, 2024 and 2023

(In Thousands of New Taiwan Dollars, Except Specified Otherwise)

### 1. General Information

E&R ENGINEERING CORPORATION (collectively as the “Company”) was incorporated in October 1994, and stocks were traded at emerging stock market on January 3, 2003. The board of directors decided to impose the withdrawal of trading at emerging stock market on November 13, 2008 and re-registered on November 12, 2013. Stocks were approved for sale on the counter by Taipei Exchange (TPEX) on March 27, 2015. The Company engages mainly in the planning, designing, manufacturing, installing and selling of automatic machines, related components, computer software and pollution controlling equipment. The principal operating activities of Company and its subsidiaries (collectively as the “Group”) are described in Note 4(3) B. In addition, the Company has no ultimate parent company.

The consolidated financial statements are presented in the Company’s functional currency, New Taiwan Dollars.

### 2. The Authorization of Consolidated Financial Statement

This accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on November 6, 2024.

### 3. Application of New and Amended Standards and Interpretations

(1) Effect of adoption of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

New standards, interpretations and amendments endorsed by the FSC and effective from 2024 are as follows:

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 16 "Lease liability in a sale and leaseback"	January 1, 2024 (Note)
Amendments to IAS 1 "Classification of liabilities as current or non-current"	January 1, 2024 (Note)
Amendments to IAS 1 "Non-current liabilities with covenants"	January 1, 2024 (Note)
Amendments to IAS 7 and IFRS 7 "Supplier finance arrangements"	January 1, 2024 (Note)

Note: This amendment will apply to annual reporting periods beginning after January 1, 2024.

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

This amendment clarifies that for a sale and leaseback transaction, if the transfer of the asset is treated as a sale in accordance with IFRS 15, the liabilities incurred by the seller and lessee due to the leaseback should be treated in accordance with IFRS 16 regarding lease liabilities; however, if variable lease payments that do not depend on an index or rate are involved, the seller-lessee should still determine and recognize the lease liability arising from such variable payments in a manner that does not recognize gains and losses related to the retained right of use. The difference between the subsequent actual lease payment amount and the reduced carrying amount of the lease liability is recognized in profit or loss.

2. Amendment to IAS 1 "Classification of liabilities as current or non-current"

The amendments clarify that when the Company determines whether a liability is classified as noncurrent, the Company should assess whether the Company has the right to defer the settlement for at least twelve months after the reporting period. If the Company has that right on the end of reporting period, that liability must be classified as non-current regardless whether the Company expects whether to exercise the right or not. If the Company must follow certain conditions to have the right to defer the settlement of a liability, the Company must have followed those conditions on the end of reporting period in order to have that right even if the lender tests the Company's compliance on a later date.

The aforementioned settlement means transferring cash, other economic resources or the Company's equity instruments to the counter-party to extinguish the liability. If the terms of the liability give the counterparty an option to extinguish the liability by the Company's equity instruments, and this option is recognized separately in equity in accordance with IAS 32 "Financial Instruments: Presentation" then the classification of the liability will not be affected.

3. Amendments to IAS 1 "Non-current liabilities with covenants"

This amendment further clarifies that only contractual terms that are required to be complied with before the end of the reporting period will affect the classification of the liability at that date. The contractual terms that required to be complied with within 12 months after the reporting period do not affect the classification of liabilities at the reporting date. However, for liabilities classified as non-current and must be repaid within 12 months after the reporting period due to potential non-compliance, the relevant facts and circumstances should be disclosed in the notes.

4. Amendments to IAS 7 and IFRS 7 "Supplier finance arrangements"

Supplier financing arrangements involve one or more financing providers making payments to suppliers on behalf of Company, and Company agrees to repay the

financing providers on the payment date agreed with the suppliers or a later date. The amendments to IAS 7 require Company to disclose information on its supplier financing arrangements to enable users of financial statements to assess the impact of these arrangements on Company's liabilities, cash flows and exposure to liquidity. The amendments to IFRS 7 include into its application guidance that when disclosing how Company manages the liquidity risk of its financial liabilities, it may also consider whether it has obtained or can obtain financing facilities through supplier financing arrangements, and whether these arrangements may cause concentration of liquidity risk.

The Group has evaluated the aforementioned standards and interpretations, and there is no significant effect to the Group's financial position and performance.

- (2) Effect of new issuances or amendments to IFRSs as endorsed by the FSC but not yet adopted.

The table below lists the new, amended, and revised standards and interpretations applicable to the 2025 recognized by the Financial Supervisory Commission under the International Financial Reporting Standards:

New IFRSs	Effective Date Announced by IASB
Amendment to IAS 21 "lack of exchangeability"	January 1, 2025

1. Amendment to IAS 21 "Lack of exchangeability"

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

The Group has evaluated the aforementioned standards and interpretations, and there is no material impact on the Group's financial position and performance.

- (3) Effect of the IFRSs issued by IASB but not yet endorsed and issued into effect by FSC: The table below lists the new standards, amendments, and revisions issued by the International Accounting Standards Board but not yet endorsed by the the Financial Supervisory Commission under the International Financial Reporting Standards and their impact:

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures"	Undetermined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries Without Public Accountability: Disclosures"	January 1, 2027
Annual Improvements to IFRS—Volume 11	January 1, 2026

1. Amendments to IFRS 9 and IFRS 7 "Amendments to Classification and Measurement of Financial Instruments"

The amendments are explained as follows:

- (1) Clarify the recognition and derecognition dates of certain financial assets and liabilities, adding that when using an electronic payment system to settle financial liabilities (or part of financial liabilities) in cash, companies are allowed to consider the financial liabilities as derecognized before the settlement date if and only if the company initiates the payment instruction and results in the following situation:
  - A. The enterprise does not have the ability to revoke, suspend, or cancel the specified payment;
  - B. The enterprise 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 enhance further guidance on assessing whether financial assets meet the solely payments of principal and interest (SPPI) criteria, covering contractual 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 instruments newly added with contract terms that can change cash flows (such as certain instruments with features related to achieving environmental, social, and governance (ESG) objectives), a qualitative description of the contingent nature should be disclosed; quantitative information on the range of changes in contractual cash flows that may arise from such contract terms; and the total carrying amount of financial assets and the amortized cost of financial liabilities under such contract terms.

(4) Update the instruments designated as through other comprehensive income by an irrevocable option as through Fair value of equity (FVTOCI) should disclose their fair value by each category, without the need to disclose fair value information for each underlying item. The fair value gains and losses recognized in other comprehensive income during the reporting period should also be disclosed, separately listing the fair value gains and losses related to investments derecognized during the reporting period, and those related to investments still held as of the end of the reporting period; as well as the cumulative gains and losses transferred to equity from investments derecognized during the reporting period.

2. Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture"

The amendment resolves the difference between IFRS10 and IAS28, Transactions in which investors sell (invest) assets to their affiliated companies or joint ventures. Depending on the nature of the trading assets, all or part of the disposal gains and losses will be recognized. When the assets traded are in line with the "business", all gains and losses from the disposal will be recognized; when the assets traded are not in line with the "business", only part of the gains and losses from the disposal within the scope of the interests of the non-related investors in the related enterprises or joint ventures can be recognized.

3. IFRS 18 "Presentation and Disclosure of Financial Statements"

IFRS 18 will replace IAS1 and update the structure of the consolidated income statement. Added new disclosures on management performance measurement, and strengthened the aggregation and segmentation principles applied to the main financial statements and notes.

4. IFRS 19 "Subsidiaries Without Public Accountability: Disclosures"

This guideline allows eligible subsidiaries to apply the IFRS accounting standards with reduced disclosure requirements.

As of the date the accompany consolidated financial statements are authorized for issue, the Group is still evaluating the impact on its financial position and financial performance as a result of the initial adoption of the aforementioned standards or interpretations. The related impact will be disclosed when the Group completes the evaluation.

4. Summary of Significant Accounting Policies

Except for the significant accounting policies compliance statements, basis of preparation, basis of consolidation, and the additional parts described below, the rest are the same as note

4 of the 2023 Consolidated Financial Statements. Unless otherwise stated, these policies are consistently applied throughout all reporting periods.

(1) Compliance Statement

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the Financial Supervisory Commission approved and issued International Accounting Standards No. 34 "Interim Financial Reporting. The consolidated financial statements should be read with the consolidated financial statements for the year ended December 31, 2023.

(2) Basis of Preparation

1. Except for the following important item, this consolidated financial statements is prepared on a historical cost basis:
  - (1) Financial assets and liabilities (including derivatives instruments) measured at fair value through profit or loss.
  - (2) Financial assets at fair value through other comprehensive income or loss.
  - (3) Liabilities on cash-settled share based payment arrangement measured at fair value.
  - (4) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
2. The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

1. Basis for preparation of consolidated financial statements:
  - (1) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
  - (2) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.



- (3) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
  - (4) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
  - (5) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss or transferred directly to retained earnings as appropriate, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.
2. The consolidated entities were as follows:

Investee / Subsidiary	Main Business	Percentage of Ownership		
		September 30,2024	December 31,2023	September 30,2023
1. E&R Engineering Co., Ltd.				
E&R Semiconductor Materials Co., Ltd.	Selling of semiconductor packaging materials	100%	100%	90.00%
Tech Wave Industrial Co., Ltd.	Manufacturing machining and selling of flexible printed circuit (FPC)	51.43%	51.43%	51.43%
Enrichment Tech. Corporation	Investments	100%	100%	100%
CRYSTAL ENTEC CORP. (Note 1)	Processing of electronic materials	-	-	48.27%
Excellent International Holdings Limited	Investments	100%	100%	100%
Excellent Techknowledgies Holdings Pte Ltd.	Investments	100%	-	-
2.E&R Semiconductor Materials Co., Ltd.				
E&R(Dongguan) Semiconductor Materials Co., Ltd.	Manufacturing and selling of semiconductor packaging material	100%	100%	100%
Gain Profit Holding Limited	Selling of semiconductor packaging materials	-	-	100%
3. Enrichment Tech. Corporation				
ENR Applied Packing Material Corporation	Investment	100%	100%	100%
Chentai Trading (Shanghai) Co. Ltd.	Customer service of automated equipment	100%	100%	100%
Suzhou E&R Precision Equipment Co., Ltd.	Manufacturing and selling of automation equipment	-	100%	100%
4. ENR APPLIED PACKING MATERIAL CORPORATION				
Wuxi E&R Semiconductor Material Technology Co., Ltd.	Manufacturing and selling of semiconductor packaging material	100%	100%	100%
5. EXCELLENT INTERNATIONAL HOLDINGS LIMITED				
Jiangsu Taisheng Semiconductor Technology Co., Ltd. (Note 2)	Manufacturing and selling of automatic equipment	90.61%	90.61%	90.61%
6. Chen-Tai Trade (Shanghai) Co. Ltd.				
Jiangsu Taisheng Semiconductor Technology Co., Ltd. (Note 2)	Manufacturing and selling of automatic equipment	9.39%	-	-

(Note 1) The Group with shareholding ratio 48.27% to Crystal Entec Technology Co., Ltd. However, the Group still obtained more than half of the directors' seats. It

is judged that the Group has the substantive ability to lead the relevant activities of Crystal Entec technology Co., Ltd., so it is still listed as a subsidiary.

(Note 2) Formerly known as Jiangsu E&R Technology Co., Ltd., it was approved to be renamed Jiangsu Taisheng Semiconductor Technology Co., Ltd. in August 2024.

(1) All subsidiaries included in consolidation financial statement were not audit by Accountant.

(2) Consolidated subsidiaries increase or decrease:

(A) The Group in May 2024 due to new investments, acquiring EXCELLENT TECHKNOWLEDGIES HOLDINGS PTE LTD.

(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.

1. Subsidiaries not included in the consolidated financial statements: None.

2. Adjustments for subsidiaries with different balance sheet dates: None.

3. Major Restrictions:

Cash on hand and cash in banks of \$88,750 thousand in China are under exchange controls and will be restricted to export (Expect for export by normal dividends).

4. Contents of the parent company' s securities held by subsidiaries: None.

5. Subsidiaries that have non-controlling interest that are material to the Group: None.

(4) Retirement benefits

The pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

(5) Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period' s pre-tax income, the tax rate that would be applicable to expected total annual earnings. The effect of a change in tax rate resulting from a change in tax law is recognized consistently with the accounting for the transaction itself which gives rise to the tax consequence, and this is recognized in profit or loss, other comprehensive income or directly in equity in full in the period in which the change in tax rate occurs.

5. Critical Accounting Judgments, Estimation and Key Sources of Assumption Uncertainty

The same critical accounting judgments and key sources of estimates and uncertainty as those stated in Note 5 in the consolidated financial statements for the year ended December 31, 2023 been followed when preparing these consolidated financial statements.

6. Contents of Significant Accounts

Except for the following, please refer to Note 6 to the consolidated financial statements for year ended December 31, 2023.

(1) Cash and cash equivalents

Item	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	\$ 1,294	\$ 1,740	\$ 2,339
Checking account	442	247	467
Demand deposits	265,126	254,067	226,463
Cash equivalents			
Time deposits with original maturities less than 3 months	527,491	590,359	642,494
Total	<u>\$ 794,353</u>	<u>\$ 846,413</u>	<u>\$ 871,763</u>

1. The financial institutions dealing with the Group are credit worthy, and the Group does transactions with a number of financial institutions to diversify credit risk that are unlikely to be expected to default
2. The Group had not pledged the cash and cash equivalents.

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

Item	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets at fair value through profit or loss – current:			
Domestic listed stock and ETF	\$ 75,428	\$ 7,952	\$ 7,088
Mutual funds	213,454	333,942	338,053
Corporation bonds	-	2,067	2,053
Bond call options	1,921	-	-
Total	<u>\$ 290,803</u>	<u>\$ 343,961</u>	<u>\$ 347,194</u>
Financial liabilities at fair value through profit or loss – current:			
Foreign exchange Swaps	<u>\$ 422</u>	<u>\$ -</u>	<u>\$ -</u>
Financial liabilities at fair value through profit or loss – noncurrent:			
Bond call options	<u>\$ -</u>	<u>\$ 9,700</u>	<u>\$ 7,700</u>

1. The Group recognized net profit (loss) for 3 months ended September 30, 2024 and 2023, and for 9 months ended September 30, 2024 and 2023, were \$3,849 thousand, \$7,314 thousand, and \$20,982 thousand, \$16,373 thousand respectively.
2. The Group's purpose of engaging in derivative financial instrument transactions is primarily to avoid risks arising from exchange rate fluctuations in foreign currency assets and liabilities. As of September 30, 2024, December 31, 2023, and September 30, 2023, the outstanding contracts were as follows:

(1) Foreign Exchange Swaps:

September 30, 2024:

Contract content	Contract Period	Strike Price	Contract Amount
Buy USD and sell NTD	113.9~113.10	32.00	USD 275,000
Buy USD and sell NTD	113.9~113.11	32.00	USD 300,000
Buy USD and sell NTD	113.9~113.10	32.10	USD 380,000

December 31, 2023: None.

September 30, 2023: None.

3. The Group had not pledged the financial assets at fair value through profit or loss.

4. Please refer to Note 12 for credit risk management and evaluation method.

(3) Notes receivable, net

Item	September 30, 2024	December 31, 2023	September 30, 2023
At amortized cost			
Notes receivable	\$ 4,037	\$ 5,667	\$ 11,390
Less: loss allowance	(6)	(2)	(5)
Notes receivable, net	<u>\$ 4,031</u>	<u>\$ 5,665</u>	<u>\$ 11,385</u>

1. The Group had not pledged the notes receivable.

2. Please refer to Note 6(4) for the relevant disclosure of loss allowance for notes receivable.

(4) Accounts receivable, net

Item	September 30, 2024	December 31, 2023	September 30, 2023
At amortized cost			
Accounts receivable	\$ 469,593	\$ 446,399	\$ 544,279
Less: loss allowance	(5,119)	(10,735)	(15,641)
Accounts receivable, net	<u>\$ 464,474</u>	<u>\$ 435,664</u>	<u>\$ 528,638</u>

1. The accounts receivable that were neither past due nor impaired was following the Group' s credit policy determined by reference to the industry characteristics, operation scale and current financial position of the counterparties. The average credit period on sales of goods for automated equipment was 4-6 months, 6-9 months for soft board equipment (except for the final payment, the final payment is generally about 10%-30%, and the credit period is based on the agreement, usually within 1 year after delivery.); other divisions were 3-4 months.

2. The Group had not pledged the account receivable.

3. The Group applies the simplified approach to provisions for expected credit losses prescribed by IFRS 9, which permits the use of a lifetime expected credit losses provision for trade receivables. The expected credit losses on trade receivables are estimated by reference to preparation matrix, past account aging records of the debtor, an analysis of the debtor' s current financial position, and industrial trend. As the Group' s historical credit losses experience does not show significantly different loss patterns for different customer segments, the provision for losses based on past due

status of notes receivable and accounts receivable is not further distinguished between the Group's different customer base.

4. The Group measures the loss allowance for notes receivable and accounts receivable and according to the preparation matrix as follow:

September 30, 2024	Expected Credit Loss Rate	Gross Carrying Amount	Loss Allowance (Lifetime ECL)	Amortized Cost
Not overdue	0%-1%	\$ 443,095	\$ (3,140)	\$ 439,955
Overdue 0 to 30 days	0%-20%	15,947	(411)	15,536
Overdue 31 to 180 days	0%-20%	8,971	(597)	8,374
Overdue 181 to 365 days	0%-50%	3,654	(334)	3,320
Overdue for more than 1 year	0%-100%	1,957	(637)	1,320
Counterparty show signs of default	100%	6	(6)	-
Total		<u>\$ 473,630</u>	<u>\$ (5,125)</u>	<u>\$ 468,505</u>

December 31, 2023	Expected Credit Loss Rate	Gross Carrying Amount	Loss Allowance (Lifetime ECL)	Amortized Cost
Not overdue	0%-1%	\$ 387,512	\$ (1,837)	\$ 385,675
Overdue 0 to 30 days	0%-20%	29,381	(1,907)	27,474
Overdue 31 to 180 days	0%-20%	17,169	(1,281)	15,888
Overdue 181 to 365 days	0%-50%	13,778	(1,588)	12,190
Overdue for more than 1 year	0%-100%	2,224	(2,122)	102
Counterparty show signs of default	100%	2,002	(2,002)	-
Total		<u>\$ 452,066</u>	<u>\$ (10,737)</u>	<u>\$ 441,329</u>

September 30, 2023	Expected Credit Loss Rate	Gross Carrying Amount	Loss Allowance (Lifetime ECL)	Amortized Cost
Not overdue	0%-1%	\$ 479,226	\$ (2,827)	\$ 476,399
Overdue 0 to 30 days	0%-20%	21,175	(959)	20,216
Overdue 31 to 180 days	0%-20%	19,115	(2,131)	16,984
Overdue 181 to 365 days	0%-50%	28,649	(5,185)	23,464
Overdue for more than 1 year	0%-100%	3,290	(330)	2,960
Counterparty show signs of default.	100%	4,214	(4,214)	-
Total		<u>\$ 555,669</u>	<u>\$ (15,646)</u>	<u>\$ 540,023</u>

5. Changes of the loss allowance for notes and accounts receivable were as follows:

Item	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Beginning balance	\$ 10,737	\$ 14,813
Impairment loss provision (reversal)	(5,742)	780
Foreign exchange differences	130	53
Ending balance	<u>\$ 5,125</u>	<u>\$ 15,646</u>

The amounts listed above has taken into account the collateral or other credit enhancements held. The other credit enhancements (such as letters of credit) held for the aforementioned receivables as of September 30, 2024, December 31, 2023, and September 30, 2023 were \$0 thousand, \$11,274 thousand, and \$14,574 thousand, respectively.

If there is evidence indicating that the counterparty is facing severe financial difficulties and the Group cannot reasonably expect to recover the amount, the Group will directly write off the relevant receivables. However, recovery activities will continue, and any amounts recovered will be recognized in profit or loss. The receivables of contract amounts written off by the Group are both \$0 thousand for the nine months ended September 30, 2024 and 2023.

6. Please refer to Note 12 for the relevant credit risk management and assessment method.

(5) Inventories and operating costs

Item	September 30, 2024	December 31, 2023	September 30, 2023
Raw materials	\$ 520,112	\$ 527,087	\$ 567,305
Work in progress	243,622	254,880	242,529
Finished goods	177,030	256,877	263,529
Total	<u>\$ 940,764</u>	<u>\$ 1,038,844</u>	<u>\$ 1,073,363</u>

1. The related gain (loss) recognized as operating cost for the current period is as follows:

	Three Months Ended September 31, 2024	Three Months Ended September 31, 2023
Cost of goods sold	\$ 267,539	\$ 239,895
Gain (loss) on inventory valuation	12,246	8,809
Unallocated overheads and labor cost	-	86
Total operating costs	<u>\$ 279,785</u>	<u>\$ 248,790</u>

	Nine Months Ended September 31, 2024	Nine Months Ended September 31, 2023
Cost of goods sold	\$ 735,756	\$ 652,112
Gain (loss) on inventory valuation	45,103	26,783
Unallocated overheads and labor cost	-	1,139
Total operating costs	<u>\$ 780,859</u>	<u>\$ 680,034</u>

2. The Group recognized inventory valuation loss (gain) of \$12,246 thousand, \$8,809 thousand and 45,103 thousand, 26,783 thousand for the three months ended September 30, 2024 and 2023 and nine months ended September 30, 2024 and 2023, respectively, as a result of inventory' s write-down to net realizable value or increasing price of some products and decreasing part of inventory.
3. The Group has not pledged the inventories.

(6) Other financial assets - current

Item	September 30, 2024	December 31, 2023	September 30, 2023
Time deposits with maturities of more than three months	\$ 111,000	\$ 314,000	\$ 114,000
Restricted assets	16,974	28,633	29,679
Total	<u>\$ 127,974</u>	<u>\$ 342,633</u>	<u>\$ 143,679</u>

(7) Financial assets at fair value through other comprehensive income or loss - noncurrent

Item	September 30, 2024	December 31, 2023	September 30, 2023
Equity investments			
Domestic listed stocks	\$ -	\$ 26,261	\$ 26,261
Domestic unlisted stocks	91,546	41,000	41,000
Subtotal	\$ 91,546	\$ 67,261	\$ 67,261
Evaluation adjustment	(4,719)	(15,991)	(23,502)
Total	<u>\$ 86,827</u>	<u>\$ 51,270</u>	<u>\$ 43,759</u>

1. The Group invests in domestic unlisted stocks in accordance with its medium/long-term strategies and expects to make a profit through long-term investment. Management of the Group believes that it is not consistent with the afore-mentioned long-term investment planning if the short-term fair value changes of such investment are presented in profit or loss. Therefore, the Group elects to designate such investment as to be measured at FVTOCI.
2. Please refer to Note 12 for relevant credit risk management and assessment methods.
3. The financial assets at FVTOCI were not pledged as collateral.



(8) Property, plant and equipment

Item	September 30, 2024	December 31, 2023	September 30, 2023
Land	\$ 51,515	\$ 51,515	\$ 51,515
Building	811,053	297,789	296,425
Machinery and equipment	386,424	330,597	375,101
Transportation facilities	15,615	18,132	14,410
Office equipment	22,817	14,759	18,205
Miscellaneous equipment	595,925	544,965	582,187
Equipment to be inspected and construction in progress	135,539	263,777	250,265
Total cost	\$ 2,018,888	\$ 1,521,534	\$ 1,588,108
Less: Accumulated depreciations	(830,770)	(761,075)	(842,508)
Accumulated impairment	(9,892)	(9,495)	(10,081)
Total	<u>\$ 1,178,226</u>	<u>\$ 750,964</u>	<u>\$ 735,519</u>

	Land	Building	Machinery and Equipment	Miscellaneous Equipment (Note)	Equipment to be Inspected and Construction in Progress	Total
Cost						
Balance at January 1, 2024	\$ 51,515	\$ 297,789	\$ 330,597	\$ 577,856	\$ 263,777	\$ 1,521,534
Additions	-	2,896	3,783	20,253	378,099	405,031
Disposal	-	(2,414)	(11,068)	(21,221)	-	(34,703)
Transfer from inventories	-	-	50,268	58,225	-	108,493
Reclassification	-	511,372	871	(685)	(511,558)	-
Transfer to inventories	-	-	-	(5,757)	-	(5,757)
Transfer to intangible assets	-	-	-	-	(246)	(246)
Transfer to impairment loss	-	-	-	-	(4,524)	(4,524)
Effect of foreign currency exchange differences	-	1,410	11,973	5,686	9,991	29,060
Balance at September 30, 2024	<u>\$ 51,515</u>	<u>\$ 811,053</u>	<u>\$ 386,424</u>	<u>\$ 634,357</u>	<u>\$ 135,539</u>	<u>\$ 2,018,888</u>
Accumulated Depreciations and Impairments						
Balance at January 1, 2024	\$ -	\$ 126,425	\$ 301,326	\$ 342,819	\$ -	\$ 770,570
Depreciation expense	-	15,102	8,289	65,851	-	89,242
Disposal	-	(2,413)	(11,068)	(20,247)	-	(33,728)
Transfer to inventories	-	-	-	(743)	-	(743)
Reclassification	-	285	-	(285)	-	-
Effect of foreign currency exchange differences	-	92	10,610	4,619	-	15,321
Balance at September 30, 2024	<u>\$ -</u>	<u>\$ 139,491</u>	<u>\$ 309,157</u>	<u>\$ 392,014</u>	<u>\$ -</u>	<u>\$ 840,662</u>

	Land	Building	Machinery and Equipment	Miscellaneous Equipment (Note)	Equipment to be Inspected and Construction in Progress	Total
Cost						
Balance at January 1, 2023	\$ 51,515	\$ 288,435	\$ 396,588	\$ 486,378	\$ 159,768	\$ 1,382,684
Additions	-	2,063	5,439	10,947	101,064	119,513
Disposal	-	-	(28,510)	(4,635)	-	(33,145)
Transfer from inventories	-	-	-	111,175	-	111,175
Transfer to inventories	-	-	-	(3,637)	-	(3,637)
Transfer to intangible assets	-	-	-	-	(1,295)	(1,295)
Reclassification	-	5,731	(3,430)	11,587	(13,888)	-
Effect of foreign currency exchange differences	-	196	5,014	2,987	4,616	12,813
Balance at September 30, 2023	\$ 51,515	\$ 296,425	\$ 375,101	\$ 614,802	\$ 250,265	\$ 1,588,108
Accumulated Depreciations and Impairments						
Balance at January 1, 2024	\$ -	\$ 111,903	\$ 356,720	\$ 337,734	\$ -	\$ 806,357
Depreciation expense	-	10,893	8,035	53,195	-	72,123
Disposal	-	-	(28,029)	(4,665)	-	(32,694)
Transfer to inventories	-	-	-	(135)	-	(135)
Effect of foreign currency exchange differences	-	37	4,402	2,499	-	6,938
Balance at September 30, 2023	\$ -	\$ 122,833	\$ 341,128	\$ 388,628	\$ -	\$ 852,589

(Note) Including transportation equipment, office equipment and miscellaneous equipment.

1. For the amount and interest rate range of capitalized borrowing costs on property, plant and equipment, please refer to Note 6(32).
2. As of September 30, 2024, there was no significant change in the accumulated impairment of property, plant and equipment.
3. Property, plant and equipment pledged for the borrowings: Please refer to Note 8.
4. Reconciliations of current additions and the acquisition of property, plant and equipment in statement of cash flows were as follows:

Item	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Acquisition of property, plant and equipment	\$ 405,031	\$ 119,513
Decrease (increase) in equipment payable	(47,785)	6,866
Cash paid for acquisition of property, plant and equipment	\$ 357,246	\$ 126,379

5. The Group's property, plant and equipment are depreciated on a straight-line basis over the following useful lives:

Building	
Factory Main Building	25 to 50 years
Factory Facility Equipment	3 to 35 years
Machinery and Transportation Equipment	2 to 8 years
Miscellaneous Equipment	2 to 10 years

(9) Lease agreement

1. Right-of-use assets

Item	September 30, 2024	December 31, 2023	September 30, 2023
Land	\$ 141,934	\$ 140,616	\$ 142,500
Building	102,721	97,558	99,907
Transportation facilities	4,817	4,996	6,733
Total cost	\$ 249,472	\$ 243,170	\$ 249,140
Less: Accumulated depreciations	(81,977)	(65,242)	(61,688)
Net amount	<u>\$ 167,495</u>	<u>\$ 177,928</u>	<u>\$ 187,452</u>

Cost	Land	Building	Transportation facilities	Total
Balance at January 1, 2024	\$ 140,616	\$ 97,558	\$ 4,996	\$ 243,170
Additions	-	7,623	1,517	9,140
Decrease	(37)	(5,276)	(771)	(6,084)
Derecognition	-	-	(925)	(925)
Effect of foreign currency exchange differences	1,355	2,816	-	4,171
Balance at September 30, 2024	<u>\$ 141,934</u>	<u>\$ 102,721</u>	<u>\$ 4,817</u>	<u>\$ 249,472</u>
Accumulated Depreciations				
Balance at January 1, 2024	\$ 18,969	\$ 43,327	\$ 2,946	\$ 65,242
Depreciation expense	4,423	15,712	1,266	21,401
Decrease	-	(4,136)	(771)	(4,907)
Derecognition	-	-	(925)	(925)
Effect of foreign currency exchange differences	82	1,084	-	1,166
Balance at September 30, 2024	<u>\$ 23,474</u>	<u>\$ 55,987</u>	<u>\$ 2,516</u>	<u>\$ 81,977</u>

Cost	Land	Building	Transportation facilities	Total
Balance at January 1, 2023	\$ 141,864	\$ 124,542	\$ 6,227	\$ 272,633
Additions	-	42,149	1,261	43,410
Decrease	-	(67,740)	-	(67,740)
Derecognition	-	(359)	(755)	(1,114)
Effect of foreign currency exchange differences	636	1,315	-	1,951
Balance at September 30, 2023	<u>\$ 142,500</u>	<u>\$ 99,907</u>	<u>\$ 6,733</u>	<u>\$ 249,140</u>
Accumulated Depreciations				
Balance at January 1, 2023	\$ 12,946	\$ 71,324	\$ 3,209	\$ 87,479
Depreciation expense	4,564	19,583	1,753	25,900
Decrease	-	(51,047)	-	(51,047)
Derecognition	-	(359)	(755)	(1,114)
Effect of foreign currency exchange differences	34	436	-	470
Balance at September 30, 2023	<u>\$ 17,544</u>	<u>\$ 39,937</u>	<u>\$ 4,207</u>	<u>\$ 61,688</u>

## 2. Lease liabilities

Item	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amount of lease liabilities			
Current	\$ 21,345	\$ 21,788	\$ 23,050
Noncurrent	<u>\$ 120,680</u>	<u>\$ 131,450</u>	<u>\$ 138,394</u>

Ranges of discount rates for lease liabilities are as follows:

September 30, 2024	December 31, 2023	September 30, 2023
1.60%-3.53%	1.60%-3.53%	1.60%-3.53%

Please refer to Note 12(3) for lease liabilities with repayment periods.

## 3. Material lease-in activities and terms

The Group leases certain land and buildings for operational use, with lease terms ranging from 2 to 50 years. Some leases include renewal options upon expiration of the lease term, while others calculate rent based on the area of leased land according to sectional values and rates or based on the announced current land value for the year. The Group has included the renewal option upon the expiration of the lease term in the lease liabilities. According to the contract agreement, without the consent of the lessor, the group shall not sublease the leased assets to others. As of September 30, 2024, there are no indications of impairment for the right-of-use assets, and therefore no impairment assessment has been conducted.

## 4. Sublease: None.

## 5. Other leasing information

(1) The current lease relevant expense information is as follows:

Item	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023
Short-term lease expenses	\$ 3,417	\$ 1,050
Low-value assets lease expenses	\$ 120	\$ 135
Total cash outflow of leases (Note)	\$ (13,553)	\$ (8,802)

Item	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Short-term lease expenses	\$ 9,366	\$ 6,453
Low-value assets lease expenses	\$ 373	\$ 402
Total cash outflow of leases (Note)	\$ (30,738)	\$ (30,300)

(Note): Including current principle paid for the lease liabilities.

6. For information on the right-of-use assets provided as collateral, please refer to Note 8.

(10) Intangible assets

Item	September 30, 2024	December 31, 2023	September 30, 2023
Computer software	\$ 27,196	\$ 22,693	\$ 32,774
Other intangible assets	-	5,000	5,000
Total cost	\$ 27,196	\$ 27,693	\$ 37,774
Less: Accumulated amortization	(12,051)	(11,025)	(20,790)
Net amount	\$ 15,145	\$ 16,668	\$ 16,984

	Computer Software	Other Intangible Assets	Total
<b>Cost</b>			
Balance at January 1, 2024	\$ 22,693	\$ 5,000	\$ 27,693
Additions	4,383	-	4,383
Transfer from property, plant and equipment	246	-	246
Derecognition	(158)	(5,000)	(5,158)
Effect of foreign currency exchange differences	32	-	32
Balance at September 30, 2024	\$ 27,196	\$ -	\$ 27,196
<b>Accumulated Amortization</b>			
Balance at January 1, 2024	\$ 6,775	\$ 4,250	\$ 11,025
Amortization expenses	5,422	750	6,172
Derecognition	(158)	(5,000)	(5,158)
Effect of foreign currency exchange differences	12	-	12
Balance at September 30, 2024	\$ 12,051	\$ -	\$ 12,051

	Computer Software	Other Intangible Assets	Total
<u>Cost</u>			
Balance at January 1, 2023	\$ 24,243	\$ 5,000	\$ 29,243
Additions	11,567	-	11,567
Transfer from property, plant and equipment	1,295	-	1,295
Derecognition	(4,346)	-	(4,346)
Effect of foreign currency exchange differences	15	-	15
Balance at September 30, 2023	\$ 32,774	\$ 5,000	\$ 37,774
<u>Accumulated Amortization</u>			
Balance at January 1, 2023	\$ 14,162	\$ 3,250	\$ 17,412
Amortization expense	6,970	750	7,720
Derecognition	(4,346)	-	(4,346)
Effect of foreign currency exchange differences	4	-	4
Balance at September 30, 2023	\$ 16,790	\$ 4,000	\$ 20,790

(11) Refundable deposits

Item	September 30, 2024	December 31, 2023	September 30, 2023
Rent deposit	\$ 6,940	\$ 5,701	\$ 5,735
Performance	3,297	3,165	3,281
Other	2,044	2,422	5,451
Total	\$ 12,281	\$ 11,288	\$ 14,467

(12) Short-term loans

Borrowings Nature	September 30, 2024	
	Amount	Interest Rate
Mortgage loan	\$ 2,700	2.23%
Credit loan	30,000	2.50%
Total	\$ 32,700	

  

Borrowings Nature	December 31, 2023	
	Amount	Interest Rate
Working capital loan	97,000	2.075%-2.13%

September 30, 2023: None.

For short-term loans, the Group provides some other financial assets, real estate, plants and equipment as guarantees for the borrowings. Please refer to Note 8 for explanations.

## (13) Other payables

Item	September 30, 2024	December 31, 2023	September 30, 2023
Wages and salaries payable	\$ 62,758	\$ 59,247	\$ 54,876
Commission Payable	18,585	24,502	30,798
Social security and provident fund payable	11,815	11,360	11,803
Insurance payable	4,680	4,528	4,291
Interest payable	68	203	83
Machinery and equipment payable	52,989	5,204	-
Employee and director remunerations payable — prior period	-	-	3,400
Employee and director remunerations payable — current period	-	4,500	7,344
Others	25,065	33,003	33,194
Total	<u>\$ 175,960</u>	<u>\$ 142,547</u>	<u>\$ 145,789</u>

## (14) Provisions - current

Item	September 30, 2024	December 31, 2023	September 30, 2023
Employee benefits	\$ 9,430	\$ 9,117	\$ 8,878
Warranty provision	25,362	22,344	44,350
Total	<u>\$ 34,792</u>	<u>\$ 31,461</u>	<u>\$ 53,228</u>

## Nine Months Ended September 30, 2024

Item	Employee Benefits	Warranty Provision	Total
Balance at January 1	\$ 9,117	\$ 22,344	\$ 31,461
Additional provisions recognized	8,686	20,933	29,619
Used in current period	(8,373)	(17,915)	(26,288)
Balance at September 30	<u>\$ 9,430</u>	<u>\$ 25,362</u>	<u>\$ 34,792</u>

## Nine Months Ended September 30, 2023

Item	Employee Benefits	Warranty Provision	Total
Balance at January 1	\$ 10,222	\$ 82,637	\$ 92,859
Additional provisions recognized	8,302	18,875	27,177
Used in current period	(9,646)	(57,162)	(66,808)
Balance at September 30	<u>\$ 8,878</u>	<u>\$ 44,350</u>	<u>\$ 53,228</u>

1. Provision for employee benefits represents vested short-term service leave entitlements accrued.
2. The type of warranty business provided by the Group guarantees that the products are consistent with the agreed specifications and is related to the sales of machine products. The warranty liability provision is estimated based on the historical warranty data of the product.

(15) Long-term loans, current portion

Item	September 30, 2024	December 31, 2023	September 30, 2023
Due within one year long-term loans	\$ 26,335	\$ 17,172	\$ 17,105

(16) Bonds payable

Item	September 30, 2024	December 31, 2023	September 30, 2023
The third unsecured convertible domestic bonds	\$ 505,400	\$ 1,000,000	\$ 1,000,000
Less: discount on bonds payable	(21,439)	(53,705)	(57,464)
Total	\$ 483,961	\$ 946,295	\$ 942,536

1. The Company issued the 3rd unsecured domestic convertible bonds, which was approved by the regulatory authority on June 22, 2022. The total issuance amount is \$1,000,000 thousand and it is zero coupon bonds with the maturity of 5 years from July 13, 2022 to July 13, 2027. At maturity, the convertible bonds will be repaid in cash at the price of the bonds' face value by the company.
2. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds. The conversion price at the time of issuance was \$67.60, The company adjusts the conversion price due to changes in share capital. The conversion prices were \$64.74 to \$65.08 from January to September, 2024 , and the number of converted shares as of September 30, 2024 was 7,620 thousand shares.
3. According to the conversion method regulations, all convertible bonds of the company that are redeemed (including those repurchased by the securities firm's business office), repaid, or converted will be retired, and will no longer be sold or issued, with their attached conversion rights also extinguished.
4. In accordance with the conversion provisions, the bond holders have the right to require the Company to convert shares at any time during the period from the date after three months of the bonds issued to the maturity date, except for the accordance with the conversion provisions and suspension of the transfer period in accordance with regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
5. The company may redeem all its outstanding bonds at face value in cash if, after three months from issuance and up to forty days before maturity, the closing price of the company's common stock exceeds the then-conversion price of these convertible bonds for thirty consecutive business days, including 30%, or if the outstanding balance is less than 10% of the original issuance amount.



6. The bond holders have the right to require the Company to redeem all or any portion of the bonds upon 3 years or 4 years after the issuance, at the principal amount of the bonds with an interest calculated the rate of 1.5075% and 2.0151% per annum. As of September 30, 2024, the redemption was \$0 thousand.
7. As of September 30, 2024, the Company redeemed the issued convertible bonds from open market by own funds at principal amount to \$0 thousand.
8. The conversion regarding the 3rd bonds payable in this period is as follows:

Item	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Bonds payable convert amount	\$ 494,600	\$ -
Conversion offset and corporate bond payable on discount	(23,788)	-
Conversion charges financial assets at fair value through profit or loss	(994)	-
Change in equity	(469,818)	-
Cash payment	<u>\$ -</u>	<u>\$ -</u>

(17) Long-term loans

Item	September 30, 2024	December 31, 2023	September 30, 2023
Mortgage loans	\$ 310,457	\$ 90,095	\$ 94,226
Less:portion due within one year	(26,335)	(17,172)	(17,105)
Total	<u>\$ 284,122</u>	<u>\$ 72,923</u>	<u>\$ 77,121</u>
Interest rate range	<u>2.125%-3.45%</u>	<u>2.213%-2.24%</u>	<u>2.113%-2.24%</u>

Please refer to Note 8 for assets pledged as collateral for long-term loans.

(18) Long-term deferred revenue

Item	September 30, 2024	December 31, 2023	September 30, 2023
Deferred revenue:			
Factory construction subsidy	\$ 18,066	\$ 17,341	\$ 17,979
Equipment subsidy	5,972	5,972	5,972
Subtotal	<u>\$ 24,038</u>	<u>\$ 23,313</u>	<u>\$ 23,951</u>
Less:cumulated recognized revenue	(1,235)	(862)	(763)
Less:transfer to advance receipts within one year	(1,301)	(398)	(398)
Balance at end of period	<u>\$ 21,502</u>	<u>\$ 22,053</u>	<u>\$ 22,790</u>

The factory construction subsidy is the subsidy for the factory construction given by the Nantong Economic & Technological Development Zone' s management committee, due to signing an investment agreement with the Group' s subsidiary- Jiangsu Taisheng Semiconductor Technology Co., Ltd.

(19) Pension

1. Defined contribution plans

- (1) The pension system applicable to this company and its subsidiaries within the Republic of China under the "Labor Pension Act" is a government-managed defined contribution retirement plan, where retirement funds are allocated to individual accounts at the Bureau of Labor Insurance based on 6% of employees' monthly salaries. Subsidiaries outside the Republic of China have participated in defined contribution schemes managed by local governments, with monthly pension contributions made to the local government.
- (2) The Group recognized the pension expenses for 3 months ended September 30, 2024, 2023, and for 9 months ended September 30, 2024, 2023 were \$9,204 thousand, \$7,671 thousand, and \$26,194 thousand, \$23,478 thousand.

2. Defined benefit plans

- (1) The pension expenses related to the defined benefit plans recognized by the Group for 3 months ended September 30, 2024 and 2023, and for 9 months ended September 30, 2024 and 2023, were \$30 thousand, \$34 thousand, and \$753 thousand, \$102 thousand respectively. The amounts above were calculated using the pension cost rates determined by actuarial valuations as of December 31, 2023 and 2022.
- (2) Before the end of 2023, the Group estimated that the labor retirement account balance was insufficient to cover the laborers expected to meet retirement conditions in the next year, and in March 2024, the shortfall was allocated to the account and offset against the net defined benefit liabilities as \$2,039 thousand.

(20) Share Capital

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

	Nine Months Ended September 30, 2024		Nine Months Ended September 30, 2023	
	Shares (in thousand)	Amount	Shares (in thousand)	Amount
Balance at January 1	98,595	\$ 985,954	100,771	\$ 1,007,703
Conversion of bonds payable	4,140	41,401	302	3,026
Retirement of treasury share	-	-	(2,490)	(24,900)
Employee stock options	-	-	12	125
Balance at September 30	102,735	\$ 1,027,355	98,595	\$ 985,954

- (1) As of September 30, 2024, the authorized capital are \$1,500,000 thousand, consisting of 150,000 thousand shares (including 5,000 thousands shares for the

conversion of stock warrants, preferred shares with stock warrants or corporate bonds with stock warrants.)

- (2) The face value of convertible bonds issued by the company, which requested conversion into common stock for 9 months ended September 30, 2024 and 2023, amounted to \$494,600 thousand and \$0 thousand, respectively. The number of shares converted was 7,620 thousand shares and 0 thousand shares, respectively. As of September 30, 2024, and 2023, 4,140 thousand shares and 0 thousand shares had completed the change registration and were reclassified as Share capital amounting to NTD 41,401 thousand and NTD 0 thousand, respectively. Additionally, 3,480 thousand shares and 0 thousand shares have not yet completed the change registration, recorded under certificate of entitlement to new shares from convertible bond as NTD 34,800 thousand and NTD 0 thousand.

## (21) Capital Surplus

Item	September 30, 2024	December 31, 2023	September 30, 2023
Additional paid-in capital	\$ 1,576,068	\$ 1,138,916	\$ 1,138,917
Difference between consideration and carrying amount of subsidiaries acquired or disposed	9,786	9,786	10,266
Stock options	33,642	66,565	78,926
Employee stock options	8,885	13,474	-
Others - disgorgement	9,083	9,083	9,083
Total	<u>\$ 1,637,464</u>	<u>\$ 1,237,824</u>	<u>\$ 1,237,192</u>

Under the Company Act, the capital surplus generated from the excess of the issuance price over the par value of capital stock and donations can be used to offset deficit or may be distributed as stock dividends or in cash. Under the regulations of the Security Exchange Law, the maximum amount transferred from the foregoing capital surplus to the Company's capital per year shall not be over 10% of the Company's paid-in capital. Capital surplus cannot be used to offset deficit unless legal reserve is insufficient. The capital surplus from long-term investments may not be used for any purpose.

## (22) Share-based Payment

### 1. Employee stock option-issued in June 2019

The company issued 1,000 units of employee stock options for compensation on June 1, 2019. Each unit of stock option certificate entitles the holder to subscribe for number of ordinary shares, each consisting of 1,000 shares, with the exercise price per share being \$16, which is not less than 50% of the closing price of the company's ordinary shares on the issuance date of this employee stock option certificate. Upon the issuance of the warrants, if there is any change in the ordinary shares of the company, the exercise price shall be adjusted according to a specific formula. The

duration of the issued warrants is four years. Employees may exercise their warrant rights in accordance with the Employee Stock Option Plan after two years from the grant of the warrants. The compensation cost recognized for the company's remunerative employee stock options for 3 months ended September 30, 2024 and 2023, and 9 months ended September 30, 2024 and 2023, is \$0 thousand.

- (1) Numbers and weighted-average exercise price of stock options for the nine months ended September 30, 2024 and 2023 are as follows:

Nine Months Ended September 30, 2024: None.

Stock Options	Nine Months Ended September 30, 2023	
	Quantity (thousand shares)	Weighted Average Exercise Price
Outstanding at the beginning of the period	30	15.40
Granted	-	-
Exercised	-	-
Forfeited	(30)	-
Outstanding at the end of the period	-	-
Stock options exercisable at the end of the period	-	-

- (2) The Company used the Black-Scholes Option Pricing Model to estimate the fair value of option granted, and information of calculating the fair value are as follows:

Grant date	June 1, 2019
Dividend yield	0%
Expected volatility	41.92%~43.92%
Risk-free interest rate	0.54%~0.55%
Expected life	3 ~ 3.5 years
The fair value of weighted-average price (per share)	\$14.86~\$15.02

## 2. Employee stock options - issued in November 2021

On November 15, 2021, the Company approved to issue employee stock options for 500 units. For each share option, the holder may subscribe for 1,000 ordinary shares of the Company at \$32 per share, not less than 50% of the Company's ordinary stock closing price. For any subsequent changes in the Company's capital structure, the exercise price is accordingly adjusted. The options are valid for 5 years and exercisable at certain percentages after the second anniversary from the grant date. The remuneration costs recognized for the company's employee stock options 3 months ended September 30, 2024 and 2023, and for 9 months ended September 30, 2024 and 2023, are \$601 thousand, \$1,646 thousand, \$1,804 thousand, and \$4,937 thousand respectively.

- (1) Numbers and Weighted-average exercise price of stock options for the nine months ended September 31, 2024 and 2023 are as follows:

Stock Options	Nine Months Ended September 30, 2024	
	Shares (in thousand)	Weighted-average exercise price
Outstanding at the beginning of the period	500	30.10
Granted	-	-
Exercised	(212)	29.90
Forfeited	-	-
Outstanding at the end of the period	288	29.90
Stock options exercisable at the end of the period	288	

  

Stock Options	Nine Months Ended September 30, 2023	
	Shares (in thousand)	Weighted-average exercise price
Outstanding at the beginning of the period	500	31.30
Granted	-	-
Exercised	-	-
Forfeited	-	-
Outstanding at the end of the period	500	30.10
Stock options exercisable at the end of the period	500	

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

	September 30, 2024	December 31, 2023	September 30, 2023
Range of exercise price (NT\$)	29.90	30.10	31.30
Weighted average remaining contract term (years)	2.125	2.875	3.125

- (3) The Company used the Black-Scholes Option Pricing Model to estimate the fair value of option granted, and information of calculating the fair value are as follows:

Grant date	November 15, 2021
Dividend yield	0%
Expected volatility	43.12%~43.63%
Risk-free interest rate	0.40%~0.43%
Expected life	3.5 ~4.5 years
The fair value of weighted-average price (per share)	\$35.52~\$37.02

## (23) Retained Earnings and Dividend Policies

1. According to the surplus distribution policy of the Articles of Incorporation, if there is a surplus in the company's annual final accounts, it shall be distributed in the following order:
  - (1) Pay taxes in accordance with the law.
  - (2) Covering prior years' accumulated deficit.
  - (3) Allocate 10% as legal reserve, but when legal reserve has accumulated to the total capital of the company, this restriction does not apply.
  - (4) In accordance with legal regulations or operational necessity, allocate special reserves; after deducting the aforementioned balance, and adding the accumulated unappropriated retained earnings from the previous year, the board of directors shall draft a proposal for shareholder dividend distribution, to be submitted to the shareholders' meeting for resolution.
  - (5) If the company distributes dividends or all or part 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 more than two-thirds of the directors and the consent of a majority of the attending directors, and report to the shareholders' meeting.

The company will align with the environment and growth stage it is in, based on capital expense, business expansion needs, sound financial planning, and balancing shareholder interests to seek sustainable development. The company's dividend policy will depend on the company's future capital expense budget and funding needs, allocating no less than 10% of the distributable surplus for shareholder dividends. However, if the accumulated distributable surplus is less than the 5% of paid-in share capital, it may not be distributed. When distributing shareholder dividends, it may be done in the form of stock dividends or cash dividends, wherein the distribution ratio of cash dividends shall not be lower than 10% of the total shareholder dividends. If the company has significant investment or development policies, it may distribute them entirely as stock dividends.

2. Except for covering company losses and issuing new shares or cash according to the original shareholding ratio of shareholders, legal reserve shall not be used. However, for issuing new shares or cash, it is limited to the portion of the reserve exceeding 25% of the paid-in capital.

### 3. Special Reserve

Item	September 30, 2024	December 31, 2023	September 30, 2023
Reserve for the debit balance of other equities	\$ 31,456	\$ 36,409	\$ 36,409

When the Company distributes surplus, it must, in accordance with legal regulations, offset the debit balance of the other equity interest item as of the balance sheet date for the current year before distribution. When the debit balance of the other equity

interest item is reversed later, the reversed amount may be included in the distributable surplus.

4. The Company approved the earning appropriation proposals for 2023 and 2022 and the dividends per share as follows at the board meetings in March 2024 and 2023 and the shareholders' meetings in June 2024 and 2023:

	Earning Appropriation		Dividend Per Share (\$)	
	2023	2022	2023	2022
Legal reserve	\$ -	\$ 39,149		
Special reserve	(4,953)	25,224		
Cash dividends	49,829	195,545	0.5	2
Total	<u>\$ 44,876</u>	<u>\$ 259,918</u>		

5. Information on the earnings appropriation proposed by the Company' s Board of Directors and approved by the Company' s shareholders is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(24) Other Equity

Item	Exchange difference on translation of foreign financial statements	Unrealized gain (loss) on financial asset at fair value through other comprehensive income	Total
Balance, January 1, 2024	\$ (15,465)	\$ (15,991)	\$ (31,456)
Exchange difference on translation of financial statements of foreign operating institutions	17,009	-	17,009
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	9,046	9,046
Gain (loss) of disposal of financial assets at fair value through other comprehensive income	-	2,226	2,226
Balance, September 30, 2024	<u>\$ 1,544</u>	<u>\$ (4,719)</u>	<u>\$ (3,175)</u>

Item	Exchange difference on translation of foreign financial statements	Unrealized gain (loss) on financial asset at fair value through other comprehensive income	Total
Balance, January 1, 2023	\$ (8,934)	\$ (27,475)	\$ (36,409)
Exchange difference on translation of financial statements of foreign operating institutions	7,501	-	7,501
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	3,973	3,973
Balance, September 30, 2023	\$ (1,433)	\$ (23,502)	\$ (24,935)

(25) Treasury Shares

1. Reason for share buyback and changes in quantity

Reason to Reacquire	Unit: Thousand Shares			
	Nine Months Ended September 30, 2024			
	January 1	Addition	Reduction	September 30
To transfer to employees	2,823	-	-	2,823

  

Reason to Reacquire	Nine Months Ended September 30, 2023			
	January 1	Addition	Reduction	September 30
	January 1	Addition	Reduction	September 30
To transfer to employees	1,823	1,000	-	2,823
To maintain the Company's credibility and shareholder's interest	1,490	1,000	(2,490)	-

- (1) To maintain the Company's credibility and shareholders' interest, the Company's board of directors resolved on March 21, 2023 to buy back up to 1,000 thousand common shares between March 22, 2023 and May 21, 2023. As of the expiration date of the repurchase period, the Company has repurchased a total of 1,000 thousand shares, amounting to \$50,564 thousand. The treasury shares were written off in August 2023.



- (2) In order to transfer to employees, the Company's board of directors resolved on June 5, 2023 to buy back up to 1,000 thousand common shares between June 6, 2023, and August 5, 2023. As of June 30, 2023, the execution was completed, with the Company repurchasing a total of 1,000 thousand shares, amounting to \$60,944 thousand.
  - (3) In order to transfer to employees, the Company's board of directors resolved on October 13, 2022 to buy back up to 1,000 thousand common shares between October 14, 2022, and November 13, 2022. As of the expiration date of the repurchase period, the Company has repurchased a total of 989 thousand shares, amounting to \$51,706 thousand.
  - (4) To maintain the Company's credibility and shareholder's interest, the Company's board of directors resolved on October 13, 2022 to buy back up to 1,500 thousand common shares between November 14, 2022 and December 13, 2022. As of the expiration date of the repurchase period, the Company has repurchased a total of 1,490 thousand shares, amounting to \$82,535 thousand. The treasury shares were written off in March 2023.
  - (5) In order to transfer to employees, the Company's board of directors resolved on August 17, 2021 to buy back up to 1,000 thousand common shares between September 18, 2021, and October 17, 2021. As of the expiration date of the repurchase period, the Company has repurchased a total of 834 thousand shares, amounting to \$54,075 thousand.
2. Based on the Securities and Exchange Act of the ROC, the number of reacquired shares should not exceed 10% of an entity's issued and outstanding shares, and the total purchase amount should not exceed the sum of the retained earnings, additional paid-in capital in excess of par and realized capital surplus.
  3. Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as rights to dividends and to vote.
  4. Pursuant to the ROC Securities and Exchange Law, treasury shares that due to transfer to employees should be transferred within five years from reacquisition date, and those haven't been transferred within the limit are deemed as unissued shares, and they should be retired. And treasury shares that due to maintain the Company's credibility and shareholder's interest should be retired within six months from reacquisition date.

(26) Non-controlling Interests

Item	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Opening balance	\$ 44,175	\$ 69,255
Attributable to non-controlling interests:		
Net profit (loss)	(5,658)	(4,557)
Other comprehensive income	896	360
Non-controlling interests decrease - transfer of minority equity	(34,503)	-
Non-controlling interests decrease - sale	-	(5,200)
Non-controlling interests increase - acquisition cost and book value difference	12,805	(5,434)
Closing balance	<u>\$ 17,715</u>	<u>\$ 54,424</u>

(27) Operating Revenue

Item	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023
Revenue from contracts with customers		
Total operating revenue	\$ 423,465	\$ 424,474
Sales returns	(367)	(1,158)
Sales discounts	(613)	(260)
Operating revenue net amount	<u>\$ 422,485</u>	<u>\$ 423,056</u>

Item	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Revenue from contracts with customers		
Total operating revenue	\$ 1,230,135	\$ 1,123,776
Sales returns	(13,085)	(5,553)
Sales discounts	(2,822)	(2,352)
Operating revenue net amount	<u>\$ 1,214,228</u>	<u>\$ 1,115,871</u>

1. Explain of contract revenue

Sales of mechanical products, flexible printed circuit (FPC) and semiconductor materials are mainly to downstream customer. It is sold at the price agreed in the contract.

2. Contract revenue details:

The Group's revenue can be categorized into the following main products and area:

3 months ended September 30, 2024:

	Automation machinery	Electronics	Net amount
<u>Major regional markets</u>			
Taiwan	\$ 234,861	\$ 14,947	\$ 249,808
Hong Kong and China	47,088	51,184	98,272
Southeast Asia	10,909	27,878	38,787
America	8,427	-	8,427
Europe	1,115	-	1,115
Other countries	24,774	1,302	26,076
Total	<u>\$ 327,174</u>	<u>\$ 95,311</u>	<u>\$ 422,485</u>
<u>Main product line</u>			
Automation machinery	\$ 327,174	\$ -	\$ 327,174
Flexible printed circuit (FPC)	-	12,293	12,293
Semiconductor materials	-	83,018	83,018
Other	-	-	-
Total	<u>\$ 327,174</u>	<u>\$ 95,311</u>	<u>\$ 422,485</u>
<u>Timing of revenue recognition</u>			
Obligations fulfilled at a point of time	\$ 327,174	\$ 95,311	\$ 422,485
Obligations fulfilled over time	-	-	-
Total	<u>\$ 327,174</u>	<u>\$ 95,311</u>	<u>\$ 422,485</u>

3 months ended September 30, 2023:

	Automation machinery	Electronics	Net amount
<u>Major regional markets</u>			
Taiwan	\$ 74,182	\$ 17,712	\$ 91,894
Hong Kong and China	32,231	43,435	75,666
Southeast Asia	17,621	28,927	46,548
America	155,537	-	155,537
Europe	42,443	-	42,443
Other countries	8,150	2,818	10,968
Total	<u>\$ 330,164</u>	<u>\$ 92,892</u>	<u>\$ 423,056</u>
<u>Main product line</u>			
Automation machinery	\$ 330,164	\$ -	\$ 330,164
Flexible printed circuit (FPC)	-	16,573	16,573
Semiconductor materials	-	75,895	75,895
Other	-	424	424
Total	<u>\$ 330,164</u>	<u>\$ 92,892</u>	<u>\$ 423,056</u>
<u>Timing of revenue recognition</u>			
Fulfill obligations at a certain point of time	\$ 330,164	\$ 92,892	\$ 423,056
Fulfill obligations gradually over time	-	-	-
Total	<u>\$ 330,164</u>	<u>\$ 92,892</u>	<u>\$ 423,056</u>

9 months ended September 30, 2024:

	Automation machinery	Electronics	Net amount
<u>Major regional markets</u>			
Taiwan	\$ 450,956	\$ 37,832	\$ 488,788
Hong Kong and China	199,738	128,306	328,044
Southeast Asia	115,687	82,946	198,633
America	148,543	-	148,543
Europe	12,238	-	12,238
Other countries	29,625	8,357	37,982
Total	<u>\$ 956,787</u>	<u>\$ 257,441</u>	<u>\$ 1,214,228</u>
<u>Main product line</u>			
Automation machinery	\$ 956,787	\$ -	\$ 956,787
Flexible printed circuit (FPC)	-	31,964	31,964
Semiconductor materials	-	225,477	225,477
Other	-	-	-
Total	<u>\$ 956,787</u>	<u>\$ 257,441</u>	<u>\$ 1,214,228</u>
<u>Timing of revenue recognition</u>			
Obligations fulfilled at a point of time	\$ 956,787	\$ 257,441	\$ 1,214,228
Obligations fulfilled over time	-	-	-
Total	<u>\$ 956,787</u>	<u>\$ 257,441</u>	<u>\$ 1,214,228</u>

9 months ended September 30, 2023:

	Automation machinery	Electronics	Net amount
<u>Major regional markets</u>			
Taiwan	\$ 218,100	\$ 43,553	\$ 261,653
Hong Kong and China	74,817	130,298	205,115
Southeast Asia	229,008	91,463	320,471
America	245,319	-	245,319
Europe	44,731	-	44,731
Other countries	23,536	15,046	38,582
Total	<u>\$ 835,511</u>	<u>\$ 280,360</u>	<u>\$ 1,115,871</u>
<u>Main product line</u>			
Automation machinery	\$ 835,511	\$ -	\$ 835,511
Flexible printed circuit (FPC)	-	42,266	42,266
Semiconductor materials	-	236,011	236,011
Other	-	2,083	2,083
Total	<u>\$ 835,511</u>	<u>\$ 280,360</u>	<u>\$ 1,115,871</u>
<u>Timing of revenue recognition</u>			
Obligations fulfilled at a point of time	\$ 835,511	\$ 280,360	\$ 1,115,871
Obligations fulfilled over time	-	-	-
Total	<u>\$ 835,511</u>	<u>\$ 280,360</u>	<u>\$ 1,115,871</u>

### 3. Contract balances

The Group recognizes the receivable, contract assets and contract liabilities related to contract revenue as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Accounts Receivable	\$ 468,505	\$ 441,329	\$ 540,023
Contract assets	-	-	-
Total	\$ 468,505	\$ 441,329	\$ 540,023
Contract liabilities - current	\$ 23,002	\$ 23,038	\$ 36,274

#### (1) Significant changes in contract assets and contract liabilities

The change in the contract assets and contract liabilities primarily result from the timing difference between the satisfaction of performance obligation and the customer's payment, and there is no other significant change.

#### (2) The amount recognized as revenue during the period from the beginning balance of contract liabilities and performance obligations satisfied in prior periods is as follows:

The amount recognized as revenue for the current period	9 months ended September 30, 2024	2023	9 months ended September 30, 2023
From the beginning contract liabilities - product sales	\$ 21,987	\$ 32,513	\$ 15,773
From previously period's satisfied performance obligation	\$ -	\$ -	\$ -

#### (28) Labor cost, depreciation and amortization

Nature	3 Months Ended September 30, 2024		
	Operating costs	Operating expenses	Total
Labor cost			
Salaries	\$ 31,254	\$ 78,456	\$ 109,710
Insurance	1,064	6,006	7,070
Pension	4,205	5,029	9,234
Others	1,104	4,257	5,361
Depreciation	8,971	33,256	42,227
Amortization	-	2,189	2,189
Total	\$ 46,598	\$ 129,193	\$ 175,791

Nature	3 Months Ended September 30, 2023		
	Operating costs	Operating expenses	Total
Labor cost			
Salaries	\$ 22,761	\$ 74,934	\$ 97,695
Insurance	1,025	5,729	6,754
Pension	3,207	4,498	7,705
Others	1,071	2,390	3,461
Depreciation	12,033	22,468	34,501
Amortization	-	2,692	2,692
Total	<u>\$ 40,097</u>	<u>\$ 112,711</u>	<u>\$ 152,808</u>

Nature	9 Months Ended September 30, 2024		
	Operating costs	Operating expenses	Total
Labor cost			
Salaries	\$ 76,443	\$ 239,728	\$ 316,171
Insurance	3,184	18,551	21,735
Pension	11,800	15,147	26,947
Others	3,361	10,655	14,016
Depreciation	28,222	82,421	110,643
Amortization	-	6,172	6,172
Total	<u>\$ 123,010</u>	<u>\$ 372,674</u>	<u>\$ 495,684</u>

Nature	9 Months Ended September 30, 2023		
	Operating costs	Operating expenses	Total
Labor cost			
Salaries	\$ 71,703	\$ 205,226	\$ 276,929
Insurance	3,160	17,360	20,520
Pension	10,719	12,861	23,580
Others	4,137	6,890	11,027
Depreciation	38,598	59,425	98,023
Amortization	-	7,720	7,720
Total	<u>\$ 128,317</u>	<u>\$ 309,482</u>	<u>\$ 437,799</u>

1. The Company allocates 5 to 10% of the annual profit as employee compensation and allocates no more than 3% as director compensation. The estimated staff remuneration for 3 months ended September 30, 2024 and 2023, and 9 months ended September 30, 2024 and 2023 are \$(340) thousand, \$2,550 thousand and \$0 thousand, \$2,550 thousand respectively. The estimated directors' remuneration for 3 months ended September 30, 2024 and 2023, and 9 months ended September 30, 2024 and 2023 are \$(110) thousand , \$850 thousand, and \$0 thousand, \$850 thousand respectively.
2. On March 6, 2024, and March 7, 2023, the Board of Directors of the Company respectively resolution approved the employee and director remuneration for the years 2023 and 2022, and the related amounts recognized in the financial reports are as follows:

	2023		2022	
	Employee Remuneration	Director Remuneration	Employee Remuneration	Director Remuneration
Amount resolved	\$ 3,400	\$ 1,100	\$ 32,250	\$ 10,750
Amount stated in the annual financial statements	3,400	1,100	32,250	10,750
Difference	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The above-mentioned employee remuneration is paid in cash.

3. For information regarding the remuneration of employees and directors related to the Company's board resolution, please refer to the Taiwan Stock Exchange "Market Observation Post System Market Observation Post System".

(29) Interest income

Item	3 Months Ended September 30, 2024	3 Months Ended September 30, 2023
Interest income		
Interest on bank deposits	<u>\$ 3,213</u>	<u>\$ 3,436</u>

Item	9 Months Ended September 30, 2024	9 Months Ended September 30, 2023
Interest income		
Interest on bank deposits	<u>\$ 9,918</u>	<u>\$ 19,097</u>

(30) Other income

Item	3 Months Ended September 30, 2024	3 Months Ended September 30, 2023
Rent income	\$ 480	\$ -
Dividend income	942	890
Other income	3,609	852
Total	<u>\$ 5,031</u>	<u>\$ 1,742</u>

Item	9 Months Ended September 30, 2024	9 Months Ended September 30, 2023
Rent income	\$ 582	\$ 102
Dividend income	942	890
Other income	5,552	1,935
Total	<u>\$ 7,076</u>	<u>\$ 2,927</u>

(31) Other gains and losses

Item	3 Months Ended September 30, 2024	3 Months Ended September 30, 2023
Gain (loss) on foreign exchange, net	\$ (8,687)	\$ 21,646
Gain (loss) on disposal of financial assets at FVTPL	4,307	428
Gain (loss) on valuation of financial assets at FVTPL	(458)	6,886
Gain on lease modification	-	1,361
Gains (loss) on disposals of property, plant and equipment	(734)	(393)
Other expenses	(1,848)	(16)
Total	<u>\$ (7,420)</u>	<u>\$ 29,912</u>

Item	9 Months Ended September 30, 2024	9 Months Ended September 30, 2023
Gain (loss) on foreign exchange, net	\$ 33,152	\$ 25,728
Gain (loss) on disposal of financial assets at FVTPL	5,843	1,441
Gain (loss) on valuation of financial assets at FVTPL	15,139	14,932
Loss from disposal of subsidiaries	(2,329)	-
Impairment loss (Note)	(4,524)	-
Gain on lease modification	28	1,361
Gains (loss) on disposals of property, plant and equipment	(916)	397
Other expenses	(2,204)	(54)
Total	<u>\$ 44,189</u>	<u>\$ 43,805</u>

(Note): This refers to the loss that cannot be recovered from jointly developed equipment with other manufacturers.

(32) Finance costs

Item	3 Months Ended September 30, 2024	3 Months Ended September 30, 2023
Interest expense :		
Bank loans	\$ 3,341	\$ 586
Convertible bonds	2,208	3,745
Interest on lease liabilities	885	1,054
Less: amount qualified for capitalization	(1,455)	-
Finance costs	<u>\$ 4,979</u>	<u>\$ 5,385</u>



Item	9 Months Ended September 30, 2024	9 Months Ended September 30, 2023
Interest expense :		
Bank loans	\$ 6,148	\$ 1,805
Convertible bonds	8,477	11,067
Interest on lease liabilities	2,583	3,334
Less: Amount qualified for capitalization	(1,455)	-
Finance costs	<u>\$ 15,753</u>	<u>\$ 16,206</u>

(33) Income tax

1. The components of tax expenses were as follows:

	3 Months Ended September 30, 2024	3 Months Ended September 30, 2023
<u>Current income tax</u>		
Income tax incurred in current period	\$ 758	\$ 3,818
Additional tax amount from unappropriated retained earnings	-	345
Adjustment in respect of prior year	(520)	-
Non-deductible foreign tax	804	113
The total of current income tax	<u>\$ 1,042</u>	<u>\$ 4,276</u>
<u>Deferred income tax</u>		
The origination and reversal of temporary differences	\$ (4,684)	\$ 5,325
The total of deferred income tax	<u>\$ (4,684)</u>	<u>\$ 5,325</u>
Income tax expense (benefit)	<u>\$ (3,642)</u>	<u>\$ 9,601</u>

  

	9 Months Ended September 30, 2024	9 Months Ended September 30, 2023
<u>Current income tax</u>		
Income tax incurred in current period	\$ 758	\$ 3,818
Additional tax amount from unappropriated retained earnings	-	6,590
Adjustment in respect of prior year	(8,437)	-
Non-deductible foreign tax	1,887	724
The total of current income tax	<u>\$ (5,792)</u>	<u>\$ 11,132</u>
<u>Deferred income tax</u>		
The origination and reversal of temporary differences	\$ 3,204	\$ 1,781
The total of deferred income tax	<u>\$ 3,204</u>	<u>\$ 1,781</u>
Income tax expense (benefit)	<u>\$ (2,588)</u>	<u>\$ 12,913</u>

The applicable tax rate used by the group entities in Republic of China is 20%. In addition, the tax rate applicable to unappropriated earning is 5%. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

2. Tax expenses (benefits) related to other comprehensive income:

Item	3 Months Ended September 30, 2024	3 Months Ended September 30, 2023
Exchange differences on translation of foreign operations	\$ (64)	\$ 436

Item	9 Months Ended September 30, 2024	9 Months Ended September 30, 2023
Exchange differences on translation of foreign operations	\$ 389	\$ 222

3. The Company's income tax returns through 2022 were ratified by the tax authorities.

(34) Other comprehensive income (loss)

Item	3 Months Ended September 30, 2024		
	Before tax	Income tax (expense) benefit	Net amount after tax
Items that will not be reclassified subsequently to profit or loss :			
Unrealized gain (loss) on equity instrument at fair value through other comprehensive income	\$ 1,148	\$ -	\$ 1,148
Subtotal	\$ 1,148	\$ -	\$ 1,148
Items that may be reclassified subsequently to profit or loss :			
Exchange differences on translation of foreign financial statements	\$ (2,537)	\$ 64	\$ (2,473)
Subtotal	\$ (2,537)	\$ 64	\$ (2,473)
Recognized in other comprehensive income (loss)	\$ (1,389)	\$ 64	\$ (1,325)

Item	3 Months Ended September 30, 2023		
	Before tax	Income tax (expense) benefit	Net amount after tax
Items that will not be reclassified subsequently to profit or loss :			
Unrealized gain (loss) on equity instrument at fair value through other comprehensive income	\$ (558)	\$ -	\$ (558)
Subtotal	\$ (558)	\$ -	\$ (558)
Items that may be reclassified subsequently to profit or loss :			
Exchange differences on translation of foreign financial statements	\$ 17,865	(436)	\$ 17,429
Subtotal	\$ 17,865	(436)	\$ 17,429
Recognized in other comprehensive income (loss)	\$ 17,307	(436)	\$ 16,871

Item	9 Months Ended September 30, 2024		
	Before tax	Income tax (expense) benefit	Net amount after tax
Items that will not be reclassified subsequently to profit or loss :			
Unrealized gain (loss) on equity instrument at fair value through other comprehensive income	\$ 9,046	\$ -	\$ 9,046
Subtotal	<u>\$ 9,046</u>	<u>\$ -</u>	<u>\$ 9,046</u>
Items that may be reclassified subsequently to profit or loss :			
Exchange differences on translation of foreign financial statements	\$ 18,294	\$ (389)	\$ 17,905
Subtotal	<u>\$ 18,294</u>	<u>\$ (389)</u>	<u>\$ 17,905</u>
Recognized in other comprehensive income (loss)	<u>\$ 27,340</u>	<u>\$ (389)</u>	<u>\$ 26,951</u>

Item	9 Months Ended September 30, 2023		
	Before tax	Income tax (expense) benefit	Net amount after tax
Items that will not be reclassified subsequently to profit or loss :			
Unrealized gain (loss) on equity instrument at fair value through other comprehensive income	\$ 3,973	\$ -	\$ 3,973
Subtotal	<u>\$ 3,973</u>	<u>\$ -</u>	<u>\$ 3,973</u>
Items that may be reclassified subsequently to profit or loss :			
Exchange differences on translation of foreign financial statements	\$ 8,083	\$ (222)	\$ 7,861
Subtotal	<u>\$ 8,083</u>	<u>\$ (222)</u>	<u>\$ 7,861</u>
Recognized in other comprehensive income (loss)	<u>\$ 12,056</u>	<u>\$ (222)</u>	<u>\$ 11,834</u>

(35) Transactions with non-controlling interests

1. Acquisition of additional subsidiary' s equity

In March 2024, the Group purchased additional 9.39% equity in the subsidiary - Jiangsu E&R Technology Co., Ltd. (renamed Jiangsu Taisheng Semiconductor Technology Co., Ltd. in August 2024) with cash \$34,503 thousand, resulting in an increase in shareholding ratio from 90.61% to 100%. Since the aforementioned transaction did not change the Group's control over the subsidiary, it is treated as an equity transaction by the Group:

Nine Months Ended September 30, 2024:

Item	Jiangsu Taisheng
Carrying amount of non-controlling interests purchased	\$ 21,698
Purchase price of non-controlling interests	<u>(34,503)</u>
Accumulated profit and loss – the difference between the actual acquisition or disposal of subsidiary equity price and the book value	(12,805)

Nine Months Ended September 30, 2023: None.

(36) Earnings per share

Item	3 Months Ended September 30, 2024	3 Months Ended September 30, 2023
A. Basic earnings per share :		
Net profit (loss)	\$ (39,152)	\$ 34,263
Weighted average shares outstanding for the current period (in thousands)	102,692	95,772
Basic earnings per share (after tax) (\$)	<u>\$ (0.38)</u>	<u>\$ 0.36</u>
B. Diluted earnings per share :		
Net profit (loss)	\$ (39,152)	\$ 34,263
Interest on convertible bonds	-	2,995
Net profit after adjusted diluted effect	<u>\$ (39,152)</u>	<u>\$ 37,258</u>
Weighted average shares outstanding for the current period (in thousands)	102,692	95,772
Effect of potential dilutive ordinary shares:		
Convertible bonds (in thousands)	-	14,793
Impact of employee stock options (in thousands)	-	193
Impact of employee compensation (in thousands)	-	477
Weighted average number of ordinary shares outstanding after dilution (in thousands)	102,692	111,235
Diluted earnings per share (after tax) (\$)	<u>\$ (0.38)</u>	<u>\$ 0.33</u>

Item	9 Months Ended September 30, 2024	9 Months Ended September 30, 2023
A. Basic earnings per share :		
Net profit (loss)	\$ (35,865)	\$ 27,370
Weighted average shares outstanding for the current period (in thousands)	100,035	96,806
Basic earnings per share (after tax) (\$)	<u>\$ (0.36)</u>	<u>\$ 0.28</u>
B. Diluted earnings per share :		
Net profit (loss)	\$ (35,865)	\$ 27,370
Interest on convertible bonds	-	-
Net profit after adjusted diluted effect	<u>\$ (35,865)</u>	<u>\$ 27,370</u>
Weighted average shares outstanding for the current period (in thousands)	100,035	96,806
Effect of potential dilutive ordinary shares:		
Convertible bonds (in thousands)	-	-
Impact of employee stock options (in thousands)	-	147
Impact of employee compensation (in thousands)	-	477
Weighted average number of ordinary shares outstanding after dilution (in thousands)	100,035	97,430
Diluted earnings per share (after tax) (\$)	<u>\$ (0.36)</u>	<u>\$ 0.28</u>

(Note) If the company chooses to distribute employee compensation in the form of stock or cash, it is assumed that employee compensation will be distributed in the form of stock when calculating diluted earnings per share, and the weighted average number of shares outstanding will be adjusted for potential dilutive effects to

calculate diluted earnings per share. Before calculating diluted earnings per share for the following year, the impact of the dilution of these potential ordinary shares will also continue to be considered in the issuance of employee remuneration shares resolution.

## 7. Related-Party Transactions

### (1) Parent company and ultimate controlling party:

The Company is the ultimate controller of the group.

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

### (3) Significant transactions with related parties:

1. Operating revenue: None.
2. Purchase: None.
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 transactions: None.
9. Lease agreement: None.
10. Rent agreement: None.
11. Loans to related parties: None.
12. Borrowings from related parties: None.
13. Endorsement guarantee: None.

### (4) Key management compensation information

Category/Name of Related Party	3 Months Ended September 30, 2024	3 Months Ended September 30, 2023
Salaries and other short-term employee benefits	\$ 5,545	\$ 8,906
Post-retirement benefits	212	220
Share-based payments	188	516
Total	<u>\$ 5,945</u>	<u>\$ 9,642</u>

Category/Name of Related Party	9 Months Ended September 30, 2024	9 Months Ended September 30, 2023
Salaries and other short-term employee benefits	\$ 20,085	\$ 22,243
Post-retirement benefits	720	659
Share-based payments	566	1,550
Total	<u>\$ 21,371</u>	<u>\$ 24,452</u>

## 8. Pledged Assets

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

Item	September 30, 2024	December 31, 2023	September 30, 2023
Other financial assets – current	\$ 16,974	\$ 28,633	\$ 29,679
Other financial assets – noncurrent	5,900	6,900	6,900
Property, plant and equipment (net)	705,628	196,652	199,156
Right-of-use assets (net)	31,563	-	-
Total	<u>\$ 760,065</u>	<u>\$ 232,185</u>	<u>\$ 235,735</u>

#### 9. Significant Contingent Liabilities and Unrecognized Contractual Commitments

- (1) As of September 30, 2024, December 31, 2023, and September 30, 2023, the guarantee notes issued by the Group for loan amount were \$925,570 thousand, \$923,680 thousand, and \$926,810 thousand, respectively, recorded under the accounts of guarantee notes issued and guarantee notes payable.
- (2) As of September 30, 2024, December 31, 2023, and September 30, 2023, the group provided certificates of deposit amounting to \$710 thousand to the Kaohsiung Customs Bureau of the Ministry of Finance as guarantee for the deposit of import and export goods.
- (3) As of September 30, 2024, December 31, 2023, and September 30, 2023, the performance bond amounts provided by the bank for the Group's Ministry of Economic Affairs technology research and development projects were \$9,272 thousand, \$21,587 thousand, and \$10,544 thousand, respectively.
- (4) The Group's unused letters of credit details as follows:

Item	Unit: Thousands of NTD					
	September 30, 2024		December 31, 2023		September 30, 2023	
Foreign letter of credit	JPY	64,690	JPY	19,032	JPY	44,355
	USD	275	USD	198	USD	676
	EUR	94	EUR	201	EUR	309

- (5) The amount of bank acceptance for the import of goods by the Group is as follows:

Item	Unit: Thousands of NTD					
	September 30, 2024		December 31, 2023		September 30, 2023	
Bank acceptance	JPY	54,809	JPY	114,412	JPY	45,120
	USD	-	USD	152	USD	59
	EUR	35	EUR	-	EUR	-

- (6) In order to meet the needs for long-term operational development, the Group has been approved by the Southern Taiwan Science Park Administration of the Ministry of Science and Technology to station in Qiaotou Science Park, and in May 2022, the board of directors approved the lease of land from the Southern Taiwan Science Park Administration of the Ministry of Science and Technology to construct a factory building.

The Southern Taiwan Science Park Administration of the Ministry of Science and Technology transferred the land in December 2022, and the Group commenced construction in 2024.

(7) Material capital expense under a contract but not yet incurred:

Item	Unit: Thousands of NTD		
	September 30, 2024	December 31, 2023	September 30, 2023
Property, plant and equipment	\$ 524,061	\$ 47,715	\$ 67,011

- (8) The Group signed a factory purchase contract with Zen Voce Co., Ltd. in May 2022, agreeing that after the completion of the new factory building project by the Group's subsidiary - Jiangsu Taisheng Semiconductor Technology Co., Ltd., part of the floors of its new factory building would be sold. The Group received a performance bond of \$71,056 thousand in July 2022 (recognized guarantee deposits); however, due to the single ownership title of the building upon completion and legal restrictions preventing division, both parties agreed to adopt a leasing approach. However, as of September 30, 2024, the leasing terms have not yet been agreed upon by both parties.

10. Significant Disaster Loss: None.

11. Significant Subsequent Events After the Reporting Period: None.

12. Others

(1) Explanation of the seasonality or periodicity of mid-term operations

The operations of the Group are not affected by seasonal or periodic factors.

(2) Capital risk management

There have been no significant changes in the Group's capital risk management approach compared to that described in the 2023 consolidated financial statements. For relevant details, please refer to Note 12(1) of the 2023 consolidated financial statements.

(3) Financial instruments

1. Financial risks of financial instruments

Financial risk management policy

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

The Group's significant financial activities are reviewed by the Board of Directors in accordance with relevant regulations and internal control systems. During the execution of the financial plan, the Group must strictly adhere to the relevant financial

operating procedures concerning overall financial risk management and the division of responsibilities.

The nature and degrees of significant financial risks

(1) Market risk

A. Foreign exchange rate risk

(A) The nature and degree of significant financial risks have not undergone major changes compared to 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

		September 30, 2024				
		Carrying Value		Sensitivity Analysis		
	Foreign Currency	Exchange Rate	(NTD)	Range of Change	Impact on Profit and Loss	Impact on Equity
(Foreign currency: functional currency)						
Financial assets						
Monetary item						
USD: NTD	11,809	31.6500	373,770	1% appreciation	3,738	-
JPY: NTD	126,198	0.2218	27,991	1% appreciation	280	-
CNY: NTD	77,505	4.5167	350,065	1% appreciation	3,501	-
USD: CNY	2,179	7.0074	68,951	1% appreciation	690	-
USD: HKD	1,230	7.7705	38,932	1% appreciation	389	-
Financial liabilities						
Monetary item						
USD: NTD	736	31.6500	23,285	1% appreciation	(233)	-
JPY: NTD	57,589	0.2218	12,773	1% appreciation	(128)	-
EUR: NTD	158	35.3509	5,577	1% appreciation	(56)	-
USD: CNY	2,843	7.0074	89,990	1% appreciation	(900)	-
USD: HKD	1,413	7.7705	44,714	1% appreciation	(447)	-
CNY: HKD	2,206	1.1089	9,964	1% appreciation	(100)	-



				December 31, 2023			
				Carrying Value  (NTD)	Sensitivity Analysis		
Foreign Currency		Exchange Rate	Range of Change		Impact on Profit and Loss	Impact on Equity	
(Foreign currency: functional currency)							
Financial assets							
Monetary item							
USD: NTD	18,590	30.705	570,819	1% appreciation	5,708	-	
JPY: NTD	278,720	0.2176	60,649	1% appreciation	606	-	
CNY: NTD	40,788	4.3352	176,823	1% appreciation	1,768	-	
USD: CNY	2,119	7.0828	65,074	1% appreciation	651	-	
Financial liabilities							
Monetary item							
JPY: NTD	90,790	0.2176	19,756	1% appreciation	(198)	-	
USD: NTD	990	30.705	30,394	1% appreciation	(304)	-	
USD: CNY	2,255	7.0828	69,245	1% appreciation	(692)	-	
USD: HKD	1,396	7.8158	42,876	1% appreciation	(429)	-	
JPY: CNY	49,987	0.0502	10,877	1% appreciation	(109)	-	

				September 30, 2023			
				Carrying Value	Sensitivity Analysis		
				(NTD)	Change Range	Impact on Profit and Loss	Equity Impact
(Foreign currency: functional currency)							
Financial assets							
Monetary item							
USD: NTD	13,702	32.27	442,153	1% appreciation	4,422	-	
JPY: NTD	363,106	0.2175	78,976	1% appreciation	790	-	
CNY: NTD	35,571	4.4946	159,876	1% appreciation	1,599	-	
USD: CNY	2,631	7.1798	84,891	1% appreciation	849	-	
Financial liabilities							
Monetary item							
USD: NTD	1,259	32.27	40,612	1% appreciation	(406)	-	
JPY: CNY	105,640	0.0484	22,977	1% appreciation	(230)	-	
USD: HKD	1,603	7.8244	51,728	1% appreciation	(517)	-	
USD: CNY	1,929	7.1798	62,246	1% appreciation	(622)	-	

If the value of the New Taiwan Dollar appreciates against the above currencies, assuming all other variables remain unchanged, there will be an equal but opposite impact on the amounts reflected in the above currencies on September 30, 2024, December 31, 2023, and September 30, 2023.

Due to the significant impact of exchange rate fluctuations on the Group's monetary items, the aggregate amounts of all exchange gains and losses

(including realized and unrealized) recognized for the 3 months ended September 30, 2024 and 2023, and for the 9 months ended September 30, 2024 and 2023 amounted to \$(8,687) thousand, \$21,646 thousand, \$33,152 thousand, and \$25,728 thousand, respectively.

#### B. Price risk

Due to the securities investments held by the Group in consolidated balance sheets, classified as financial assets at fair value through profit or loss or financial assets at fair value through other comprehensive income, the Group is 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 subject to fluctuations due to 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 the 9 months ended September 30, 2024 and 2023 from gains or losses on financial instruments measured at fair value will change by \$2,889 thousand and \$3,472 thousand, respectively. For the 9 months ended September 30, 2024 and 2023, other comprehensive income (loss), net of income tax will increase or decrease by \$868 thousand and \$ 438 thousand, respectively, due to the rise or fall in the fair value of financial assets measured through other comprehensive income.

#### C. Interest rate risk

The carrying amount of the financial assets and liabilities that exposed to interest rate risk as reporting date was as follows:

Item	Carrying Amount		
	September 30, 2024	December 31, 2023	September 30, 2023
Fair value interest rate risk:			
Financial assets	\$ 638,491	\$ 904,359	\$ 756,494
Financial liabilities	(625,986)	(1,099,533)	(1,103,980)
Net amount	<u>\$ 12,505</u>	<u>\$ (195,174)</u>	<u>\$ (347,486)</u>
Cash flow interest rate risk:			
Financial assets	\$ 288,000	\$ 289,600	\$ 263,042
Financial liabilities	(343,157)	(187,095)	(94,226)
Net amount	<u>\$ (55,157)</u>	<u>\$ 102,505</u>	<u>\$ 168,816</u>

#### (A) Sensitivity analysis of instruments with fair value interest rate risk

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, the change in the daily

interest rate reported will not affect the profit and loss and other total net income.

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

The floating rate financial instruments of the Group are classified as floating rate assets (debt), hence changes in market interest rates will cause their effective interest rates to fluctuate, resulting in volatility in future cash flows. For every decrease (increase) in market interest rates by 1%, the net profit for the 9 months ended September 30, 2024 and 2023 will increase (decrease) by \$(414) thousand and \$1,266 thousand, respectively.

(2) Credit risk

Credit risk refers to the risk of financial loss to the Group due to a counterparty's breach of contractual obligations. The credit risk of the Group primarily arises from receivables generated from operating activities, and cash in banks and other financial instruments generated from investing activities. Operational-related 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 operational credit risk management. The risk assessment of individual clients takes into account various factors that may affect the client's payment ability, including the client's financial condition, the internal credit rating of the group, historical transaction records, and the current economic situation.

B. Financial credit risk

The credit risk of cash in banks and other financial instruments is measured and monitored by the financial department of the Group. As the counterparties and performance obligors of the Group are banks with good credit standing and financial institutions, corporate organizations, and government agencies with investment-grade ratings or above, there are no significant concerns regarding performance obligations, and therefore, no significant credit risk. In addition, the Group does not classify any debt instrument investments as measured at amortized cost and classified as at fair value through other comprehensive income.

(A) Credit concentration risk

As of September 30, 2024, December 31, 2023, and September 30, 2023, the balance of the top ten customers' accounts receivable accounted for 55%, 55%, and 52% of the Group's accounts receivable balance, respectively, while the credit concentration risk of the remaining accounts receivable is relatively insignificant.

(B) Measurement of expected credit loss:

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

(b) Basis for determining whether credit risk has significantly increased: None. (The Group does not classify any debt instrument investments as measured at amortized cost and at fair value through other comprehensive income)

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

The financial impact related to the maximum exposure to credit risk of the financial assets recognized in the consolidated balance sheets and the collateral held by the Group as security, net settlement agreements, and other credit enhancements is shown in the following table:

September 30, 2024	Carrying Amount	Decrease in Amount of Maximum Exposure to Credit Risk			
		Collateral	Total Agreement of Net Settlement	Other Credit Enhancement	Total
Credit-impaired financial instruments to which the definition of impairment in IFRS 9 is applicable	\$ 1,320	\$ -	\$ -	\$ -	\$ -
Financial instruments to which the definition of impairment in IFRS 9 is not applicable					
Financial assets at fair value through profit or loss	290,803	-	-	-	-
Financial assets at fair value through other comprehensive income	86,827	-	-	-	-
Total	<u>\$ 378,950</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2023	Carrying Amount	Decrease in Amount of Maximum Exposure to Credit Risk			
		Collateral	Total Agreement of Net Settlement	Other Credit Enhancement	Total
Credit-impaired financial instruments to which the definition of impairment in IFRS 9 is applicable	\$ 102	\$ -	\$ -	\$ -	\$ -
Credit-impaired financial instruments to which the definition of impairment in IFRS 9 is not applicable					
Financial assets at fair value through profit or loss	343,961	-	-	-	-
Financial assets at fair value through other comprehensive income	51,270	-	-	-	-
Total	<u>\$ 395,333</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

September 30, 2023	Carrying Amount	Decrease in Amount of Maximum Exposure to Credit Risk			
		Collateral	Total Agreement of Net Settlement	Other Credit Enhancement	Total
Credit-impaired financial instruments to which the definition of impairment in IFRS 9 is applicable	\$ 2,960	\$ -	\$ -	\$ -	\$ -
Credit-impaired financial instruments to which the definition of impairment in IFRS 9 is applicable					
Financial assets at fair value through profit or loss	347,194	-	-	-	-
Financial assets at fair value through other comprehensive income	43,759	-	-	-	-
Total	<u>\$ 393,913</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

### (3) Liquidity risk

#### A. Liquidity risk management

The objectives and policies for managing liquidity risk of the Group have not undergone significant changes compared to those described in the 2023 consolidated financial statements. For related explanations, please refer to Note 12(2) of the 2023 consolidated financial statements.

#### B. Financial liabilities maturity analysis

	September 30, 2024						
Non-derivative financial liabilities	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years	Contract Cash Flow	Carrying Value
Short-term loans	\$ 32,700	\$ -	\$ -	\$ -	\$ -	\$ 32,700	\$ 32,700
Notes payable	4,802	-	-	-	-	4,802	4,802
Accounts payable	218,313	-	-	-	-	218,313	218,313
Other payables	175,960	-	-	-	-	175,960	175,960
Long-term loans (including the portion maturing within 1 year)	8,894	17,441	52,908	208,251	22,963	310,457	310,457
Bonds payable	-	-	-	505,400	-	505,400	483,961
Lease liabilities	14,291	9,996	17,433	40,915	84,357	166,992	142,025
Deposits received	-	-	71,056	-	-	71,056	71,056
Total	\$ 454,960	\$ 27,437	\$ 141,397	\$ 754,566	\$ 107,320	\$ 1,485,680	\$ 1,439,274
Derivative financial liabilities							
Financial liabilities at fair value through profit or loss (including current and non-current)	\$ 422	\$ -	\$ -	\$ -	\$ -	\$ 422	\$ 422
Total	\$ 422	\$ -	\$ -	\$ -	\$ -	\$ 422	\$ 422

Further information on lease liabilities with repayment periods was as follows:

	Shorter than 1 year	1-5 years	5-10 years	10-15 years	15-20 years	Over 20 years	Total undiscounted lease Payment
Lease liabilities	\$ 24,287	\$ 58,348	\$ 28,418	\$ 29,867	\$ 19,949	\$ 6,123	\$ 166,992

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	Carrying Value
Short-term loans	\$ 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 payables	142,547	-	-	-	-	142,547	142,547
Long-term loans (including one year maturing)	8,499	8,673	17,040	31,560	24,323	90,095	90,095
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
Deposits received	-	-	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							
Financial liabilities at fair value through profit or loss (including current and non-current)	\$ -	\$ -	\$ -	\$ 9,700	\$ -	\$ 9,700	\$ 9,700
Total	\$ -	\$ -	\$ -	\$ 9,700	\$ -	\$ 9,700	\$ 9,700

Further information on lease liabilities with repayment periods was as follows:

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

September 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	Carrying Value
Notes payable	\$ 6,236	\$ -	\$ -	\$ -	\$ -	\$ 6,236	\$ 6,236
Accounts payable	167,614	-	-	-	-	167,614	167,614
Other payables	142,389	3,400	-	-	-	145,789	145,789
Long-term loans (including one year maturing)	8,453	8,652	16,991	34,223	25,907	94,226	94,226
Bonds payable	-	-	-	1,000,000	-	1,000,000	942,563
Lease liabilities	13,229	13,244	21,454	48,700	93,141	189,768	161,444
Deposits received	-	-	71,056	-	-	71,056	71,056
Total	\$ 337,921	\$ 25,296	\$ 109,501	\$ 1,082,923	\$ 119,048	\$ 1,674,689	\$ 1,588,928
Derivative financial liabilities							
Financial liabilities at fair value through profit or loss (including current and non-current)	\$ -	\$ -	\$ -	\$ 7,700	\$ -	\$ 7,700	\$ 7,700

Further information on lease liabilities with repayment periods was as follows

	Shorter than 1 year	1-5 years	5-10 years	10-15 years	15-20 years	Over 20 years	Total undiscounted lease Payment
Lease liabilities	\$ 26,473	\$ 70,154	\$ 31,608	\$ 29,851	\$ 24,580	\$ 7,102	\$ 189,768

The Group does not anticipate that the cash flow timing in the maturity analysis will occur significantly earlier or that the actual amounts will differ significantly.

## 2. Categories of financial instruments

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Financial assets</u>			
Financial assets measured at amortized cost			
Cash and cash equivalents	\$ 794,353	\$ 846,413	\$ 871,763
Notes and accounts receivable	468,505	441,329	540,023
Other receivables	9,864	7,345	6,492
Other financial assets – current	127,974	342,633	143,679
Other financial assets – noncurrent	5,900	6,900	6,900
Refundable deposit	12,281	11,288	14,467
Financial asset at fair value through profit or loss – current	290,803	343,961	347,194
Financial asset at fair value through other comprehensive income – noncurrent	86,827	51,270	43,759
	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Financial liabilities</u>			
Financial liabilities measured at amortized cost			
Short-term loans	32,700	97,000	-
Notes and accounts payable	223,115	189,684	173,850
Other payables	175,960	142,547	145,789
Long-term loans (including current portion)	310,457	90,095	94,226
Bonds payable (including current portion)	483,961	946,295	942,536
Lease liabilities (including current portion)	142,025	153,238	161,444
Deposits received	71,056	71,056	71,056
Financial liabilities at fair value through profit or loss – current	422	-	-
Financial liabilities at fair value through profit or loss – noncurrent	-	9,700	7,700

## (4) Fair value information:

1. For information on the fair value of the Group's financial assets and financial liabilities not measured at fair value, please refer to Note 12(4)3.

2. Definition of three level of fair value

Level 1:

The input value of this level refers to the active market public quotation of the same instrument in an active market. An active market refers to a market that meets all of the following conditions: the goods traded in the market are homogeneous; willing buyers and sellers can be found in the market at any time, and price information is accessible to the public. The fair value of the listed stocks, beneficiary certificates, Taiwan central government bond investments belonging to popular securities, and derivatives with active market quotations invested by the group all belong to this category.

Level 2:

The input values of this level refer to observable prices other than active market quotations, including 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, corporate bonds, and most derivatives are included.

Level 3:

The input value of this level refers to the input parameters for measuring fair value that are not based on observable inputs available in the market. The group's investments in non-active market equity instruments all belong to it.

3. Financial instruments that are not 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, refundable deposit, short-term loans, payables, lease liabilities, long-term loans (including those due within one year or one business cycle), and deposits received approximate their fair value.

Item	September 30, 2024			
	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 483,961	\$ 924,882	\$ -	\$ -

  

Item	December 31, 2023			
	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 946,295	\$ 1,200,000	\$ -	\$ -



Item	September 30, 2023			
	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 942,536	\$ 1,230,000	\$ -	\$ -

4. Information on fair value by level:

The Group's financial instruments were measured at fair value on a recurring basis.

The Group's fair value levels are shown in the following table:

Item	September 30, 2024			
	Level 1	Level 2	Level 3	Total
Assets :				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Non-derivative financial assets held for trading	\$ 288,882	\$ -	\$ -	\$ 288,882
Convertible bond redemption rights and put options	-	-	1,921	1,921
Financial assets at fair value through other comprehensive income				
Domestic unlisted (OTC) stocks	-	-	86,827	86,827
Total	<u>\$ 288,882</u>	<u>\$ -</u>	<u>\$ 88,748</u>	<u>\$ 377,630</u>
Liabilities :				
<u>Recurring fair value</u>				
Financial liabilities at fair value through profit or loss - noncurrent				
Foreign exchange swaps	\$ -	\$ 422	\$ -	\$ 422
Total	<u>\$ -</u>	<u>\$ 422</u>	<u>\$ -</u>	<u>\$ 422</u>

Item	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets :				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Non-derivative financial assets held for trading	\$ 343,961	\$ -	\$ -	\$ 343,961
Financial assets at fair value through other comprehensive income				
Financial assets				
Domestic listed (OTC) preferred stock	25,094	-	-	25,094
Domestic unlisted (OTC) stocks	-	-	26,176	26,176
Total	<u>\$ 369,055</u>	<u>\$ -</u>	<u>\$ 26,176</u>	<u>\$ 395,231</u>
Liabilities :				
<u>Recurring fair value</u>				
Financial liabilities at fair value through profit or loss - noncurrent				
Convertible bond redemption rights and put options	\$ -	\$ 9,700	\$ -	\$ 9,700
Total	<u>\$ -</u>	<u>\$ 9,700</u>	<u>\$ -</u>	<u>\$ 9,700</u>

Item	September 30, 2023			
	Level 1	Level 2	Level 3	Total
Assets :				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Non-derivative financial assets held for trading	\$ 347,194	\$ -	\$ -	\$ 347,194
Financial assets at fair value through other comprehensive income				
Financial assets				
Domestic listed (OTC) preferred stock	25,284	-	-	25,284
Domestic unlisted (OTC) stocks	-	-	18,475	18,475
Total	<u>\$ 372,478</u>	<u>\$ -</u>	<u>\$ 18,475</u>	<u>\$ 390,953</u>
Liabilities :				
<u>Recurring fair value</u>				
Financial liabilities at fair value through profit or loss - noncurrent:				
Convertible bond redemption rights and put options	\$ -	\$ 7,700	\$ -	\$ 7,700
Total	<u>\$ -</u>	<u>\$ 7,700</u>	<u>\$ -</u>	<u>\$ 7,700</u>

5. Fair value valuation techniques of instruments measure at fair value:

- (1) If financial instruments have quoted prices in an active market, the quoted prices in the active market are used as the fair value. The market prices announced by major exchanges and the Central Government Bond Counter Trading Center,

judged as popular securities, are the basis for the fair value of listed equity instruments and debt instruments with active market quotations.

If timely and frequent public quotations for financial instruments 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 an active market public quotation. If the above conditions are not met, the market is considered inactive. Generally speaking, a large bid-ask spread, a significant increase in the bid-ask spread, or very low trading volume are all indicators of an inactive market. The financial instruments held by the Group, if they have an active market, are presented at fair value according to their categories and attributes as follows:

- A. Listed (OTC) company stocks: closing price.
- B. Closed-end fund: closing price.
- C. Open-end fund: net worth.
- D. Government bonds: final Price.
- E. Corporate bonds: Weighted average price of \$100.
- F. Convertible (exchangeable) bonds: closing price.

- (2) Except for the aforementioned financial instruments with an active market, the fair value of other financial instruments is obtained through valuation techniques or by referencing counterparty quotations. The fair value obtained through valuation techniques can be referenced to the current fair value of other financial instruments with substantially similar conditions and characteristics, discounted cash flow method, or other valuation techniques, including models calculated using market information available on the balance sheet date.
- (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 based on appropriate option pricing models (e.g., Black-Scholes model) or other valuation methods, such as Monte Carlo simulation.
- (4) The output of the valuation model is an estimated approximate 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 valuation model will be appropriately adjusted based on additional parameters, such as model risk or liquidity risk.

6. Movement between level 1 and level 2: None.

7. Details of changes in level 3:

Item	Financial assets at fair value through other comprehensive income - equity instruments	
	9 Months Ended	9 Months Ended
	September 30, 2024	September 30, 2023
Balance at beginning of period	\$ 26,176	\$ 15,016
Transferred from prepayments for investments	10,000	-
Purchase	40,546	-
Recognized in profit or loss	-	-
Recognized in Other comprehensive income	10,105	3,459
Balance at end of period	<u>\$ 86,827</u>	<u>\$ 18,475</u>

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

The unlisted (OTC) company stocks held by the Group, which do not have an active market, are primarily estimated at fair value using the market approach. This determination is based on the valuation of similar companies, the company's net worth, and the assessment of its operating conditions. The significant unobservable inputs used for fair value are listed in the table below:

September 30, 2024

Item	Evaluation Technique	Significant Unobservable Input	Interval	Relationship Between Input Value and Fair Value
Financial assets at fair value through other comprehensive income - stock	Market Approach	Lack of Liquidity Discount Rate	23.45~25.52%	The higher the liquidity discount, the lower the fair value estimate.

December 31, 2023:

Item	Evaluation Technique	Significant Unobservable Input	Interval	Relationship Between Input Value and Fair Value
Financial assets at fair value through other comprehensive income - stock	Market Approach	Lack of Liquidity Discount Rate	25.52%	The higher the liquidity discount, the lower the fair value estimate.

September 30, 2023:

Item	Evaluation Technique	Significant Unobservable Input	Interval	Relationship Between Input Value and Fair Value
Financial assets at fair value through other comprehensive income - stock	Market Approach	Lack of Liquidity Discount Rate	25.95%	The higher the liquidity discount, the lower the fair value estimate.

9. Valuation process for level 3 fair value measurement

The Group's valuation process for fair value classified as level 3 utilizes independent source data to align valuation results with market conditions, and regularly conducts independent fair value verification and review of financial instruments to ensure the valuation results are reasonable.

(5) Transfer of financial assets: None.

(6) Offset of financial assets and financial liabilities: None.

13. Supplementary Disclosures

(1) Information on significant transactions (before consolidated elimination)

1. Loans provided to others: Table 1.

2. Counterparty of endorsement guarantee : Table 2.

3. Securities held at the end of the period: Table 3.

4. The accumulated amount of buying or selling the same securities reaches \$300 million or more than 20% of the paid-in capital: None.

5. The amount for acquiring real estate reaches \$300 million or more than 20% of the paid-in capital: Table 4.

6. The amount of disposal of real estate reaches \$300 million or more than 20% of the paid-in capital: None.

7. The amount of purchases and sales with related parties reaching \$100 million or more than 20% of the paid-in capital: None.

8. Accounts receivable from related parties reaching \$100 million or more than 20% of the paid-in capital: Table 5.

9. Engaging in derivative transaction: please refer to Note 6(2) for details.

10. Business relationship and significant transactions between parent and subsidiary companies: Table 6.

(2) Information on investees (before consolidated elimination): Table 7.

(3) Information on investments in China (before consolidated elimination): Table 8.

(4) Information on major shareholders (including name, share held and shareholding ratio of the shareholders with shareholding above 5%): Table 9.

Table 1

## E&amp;R ENGINEERING CORPORATION AND SUBSIDIARIES

## Loans to Other Parties

September 30, 2024

Unit: Thousands of Foreign Currency; Thousands of NTD

No.	Lender	Borrower	Account name	Related party (Y/N)	Highest amount for the period	Closing balance	Actual amount drawn down	Interest rate range	Nature for financing (Note 3)	Transaction amount	Purpose for short-term financing	Provision for doubtful debts	Collateral		Limit on loans granted to a single entity (Note 1)	Limit on total loans granted (Note 2)
													Item	Value		
0	E&R ENGINEERING CORPORATION	Wuxi E&R Semiconductor Materials Technology Co., Ltd.	Other receivables - related parties (Note 4)	Yes	29,716 (USD 939)	22,411 (USD 708)	22,411 (USD 708)	-	1	37,257 (Note 5)	-	-	-	-	1,084,268	1,084,268
		Jiangsu Taisheng Semiconductor Technology Co., Ltd.	Other receivables - related party	Yes	3,118 (USD 99)	3,118 (USD 99)	3,118 (USD 99)	-	1	5,808	-	-	-	-	1,084,268	1,084,268
		Jiangsu Taisheng Semiconductor Technology Co., Ltd.	Other receivables - related parties	Yes	348,150 (USD 11,000)	348,150 (USD 11,000)	273,260 (RMB 60,500)	1.50%	2	-	Operating capital	-	-	-	1,084,268	1,084,268
1	Jiangsu Taisheng Semiconductor Technology Co., Ltd.	Chentai Trading (Shanghai) Co. Ltd.	Other receivables - related parties	Yes	36,134 (RMB 8,000)	36,134 (RMB 8,000)	36,134 (RMB 8,000)	1.50%	2	-	Operating capital	-	-	-	76,359 (RMB 16,906)	76,359 (RMB 16,906)

Note 1. The lending limit of funds to individual entities by the company and its subsidiaries: limited to not exceeding 40% of the company's net worth for the current period.

Note 2. The maximum limit for loans provided by the company and its subsidiaries: not exceeding 40% of the company's net worth for the current period.

Note 3. The numbering for the nature of financing activities is as follows:

■ “1” represents for transaction counterparty.

■ “2” represents short-term financing requirement.

Note 4. In principle, the Company's collection of payments for sales to related parties is handled in accordance with the collection policy for the same transactions with non-related parties. However, if the above-mentioned policies cannot be implemented due to insufficient funds of the related party or due to losses, due to insufficient funds of related parties or their losses, the Company considers it more important to fully support the operations of its subsidiaries to achieve the Company's business objectives in the mainland market, and therefore defers collection. The Company has transferred the overdue accounts receivable from Wuxi E&R to other receivables, amounting to \$22,411 thousand.

Note 5. The Company does not recognize purchases and sales for transactions of purchase of raw materials for Wuxi E&R, and they are listed as collection and payment.

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

Table 2

## E&amp;R ENGINEERING CORPORATION AND SUBSIDIARIES

## Endorsements/Guarantees Provided for Other Parties

September 30, 2024

Unit: Thousands of Foreign Currency; Thousands of NTD

No.	Guarantor	Counterparty		Limit On Endorsement/ Guarantee for a Single Entity (Note 2)	The Highest Balance of Endorsement/ Guarantee for The Period	Closing Balance of Endorsement/ Guarantee	Actual Amount Drawn Down	Amount of Endorsement/ Guarantee Secured by Collateral	Ratio of Cumulative Endorsement/ Guarantee to Net Value in Latest Financial Statement	Limit on Total Endorsement/ Guarantee (Note 3)	Endorsement/ Guarantee by Parent Company for Subsidiary	Endorsement/ Guarantee by Subsidiary for Parent Company	Endorsement/ Guarantee to an Entity in Mainland China
		Company name	Relationship (Note 1)										
0	E&R ENGINEERING CORPORATION	TECH-WAVE Industrial Co., Ltd.	2	542,143	20,000	20,000	-	-	0.74%	1,355,357	Y	-	-

Note 1: There are 7 types of relationships between the endorser and the endorsee, and the type should be indicated.

- (1) Trading partner.
- (2) An entity in which the Company directly and indirectly holds more than 50% of the voting shares.
- (3) An entity that directly and indirectly holds more than 50% of the voting shares of the Company.
- (4) An entity in which the Company directly and indirectly holds more than 90% of the voting shares.
- (5) An entity that provide mutual insurance among peers or co-builders based on contractual requirements for contracted projects.
- (6) An entity for which all contributing shareholders provide endorsement and guarantee according to their shareholding ratio due to a joint investment relationship.
- (7) Joint and several guarantees for the performance of pre-sale housing sales contracts conducted by peers in accordance with consumer protection laws.

Note 2: The limit for endorsements and guarantees by the Company for a single entity shall not exceed 20% of the Company's net worth, whereas for a single overseas affiliated company, it shall not exceed 30% of the net worth.

Note 3: The maximum limit for the Company's endorsement guarantee is restricted to not exceeding 50% of the Company's net worth.

Table 3

## E&amp;R ENGINEERING CORPORATION AND SUBSIDIARIES

## Securities Held at the End of the Period

September 30, 2024

Unit: Thousands of Foreign Currency; Thousands of NTD

Holder	Type and Name of Securities	Relationship with Issuer	Account Name	End of the Period				Note
				Shares (Thousand Units)	Book Value	Shareholding Ratio	Fair Value	
E&R ENGINEERING CORPORATION	Stock - Nan Pao	-	Financial assets at FVTPL - current	220	66,770	0.18%	66,770	
	Stock - J&V Energy Technology	-	Financial assets at FVTPL - current	20	4,800	0.02%	4,800	
	Stock - CHENG UEI	-	Financial assets at FVTPL - current	60	3,858	0.01%	3,858	
	Fund - Allianz Global Investors B	-	Financial assets at FVTPL - current	620	4,425	-	4,425	
	Fund - TACB currency market	-	Financial assets at FVTPL - current	13,837	145,533	-	145,533	
	Fund - Cathay US Premium Bond Fund	-	Financial assets at FVTPL - current	298	3,002	-	3,002	
	Fund - Cathay Taiwan Money Market Fund B - TWD	-	Financial assets at FVTPL - current	3,940	50,789	-	50,789	
	Fund - Cathay Taiwan Money Market Fund B - USD	-	Financial assets at FVTPL - current	29	9,705	-	9,705	
			Total		288,882		288,882	
	Stock - Ledlas CORP.	-	Financial assets at FVOCI - non-current	3,333	9,905	25.89%	9,905	(Note)
	Stock - Uniconn Interconnections Technology Co., Ltd.	-	Financial assets at FVOCI - non-current	550	30,250	0.96%	30,250	
	Stock - Shyawei Optonics Corporation	-	Financial assets at FVOCI - non-current	1,640	36,237	16.40%	36,237	
	Stock - JKing Tech Vietnam Co., Ltd.	-	Financial assets at FVOCI - non-current	412	10,435	19.80%	10,435	
			Total		86,827		86,827	

Note: Although the Company's investment in Ledlas CORP. exceeds 20%, considering the technical shares after the investment, the Company's final shareholding ratio only reaches 9.5%, and the company does not serve as director position or key management personnel, after evaluation, the company is deemed to have no significant influence.



Table 4

## E&amp;R ENGINEERING CORPORATION AND SUBSIDIARIES

Acquisition of Real Estate with the Amount Reaching 300 Million or More than 20% of Paid-in Capital

September 30, 2024

Acquirer	Property Name	Date of Transaction	Transaction Amount	Payment Status	Transaction Counterparty	Relationship	Previous Transfer Data if the Transaction counterparty is a related party				Basis of Pricing	Purpose	Other Matters
							Acquirer	Relationship	Transfer Date	Amount			
E&R ENGINEERING CORPORATION	Ciaotou Science Park new factory	2024.4~2024.5	548,900	Payment according to contract terms	Chyuanshing Construction Company, Tianhan company, etc.	None	-	-	-	-	Comparison and negotiation of the price	Production	None
Jiangsu Taisheng Technology Co., Ltd.	Nantong New construction project	2021.12	419,354 (RMB 92,101)	Payment according to contract terms	Nantong Five Construction Holdings Group Co., Ltd.	None	-	-	-	-	Comparison and negotiation of the price	Production	None

Table 5

## E&amp;R ENGINEERING CORPORATION AND SUBSIDIARIES

Accounts Receivable from Related Parties with the Amount Reaching \$100 Million or More than 20% of the Paid-In Capital

September 30, 2024

Unit: Thousands of Foreign Currency; Thousands of NTD

Entities with Accounts Receivable Due	Transaction Counterparty	Relationship	Balance of Accounts Receivable from Related Parties	Turnover Ratio	Accounts Receivables Overdue from Related Parties		Receivables Recovered in the Subsequent Period	Loss Allowance
					Amount	Handling Method		
E&R ENGINEERING CORPORATION	Jiangsu Taisheng Semiconductor Technology Co., Ltd.	Subsidiary	Accounts receivable 12,332	5.14	-	-	-	-
			Other receivables 282,423	Note 1	-	-	-	-

Note 1: Mainly refers to financial loans, thus not applicable for turnover rate calculation.

Note 2: The above transactions between the parent and subsidiary have been reversed.

Table 6

**E&R ENGINEERING CORPORATION AND SUBSIDIARIES**  
**Business Relationship and Significant Transactions Between Parent and Subsidiaries**  
**For the 9 Months Ended September 30, 2024**

Individual transaction amounts that do not reaching (including) \$10 million will not be disclosed; additionally, disclosure that be made in terms of assets and revenue sides, the relative transactions will no longer be disclosed.

Unit: Thousands of Foreign Currency; Thousands of NTD

Number (Note 1)	Purchaser (Seller)	Transaction Counterparty	Relationship with the Company (Note 2)	Transaction Details			
				Account Name	Amount	Terms and Conditions	Percentage of Consolidated Revenue or Total Assets (Note 3)
0	E&R ENGINEERING CORPORATION	Jiangsu Taisheng Semiconductor Technology Co., Ltd.	1	Sales Accounts receivable	63,329 12,332	There are no comparable transactions available, processed at the agreed price, with the credit period agreed to be 270 days.	5.22% 0.29%
		Wuxi E&R Semiconductor Materials Technology Co., Ltd.	1	Accounts receivable	44,147 (Note 4)	There are no comparable transactions available, processed at the agreed price, with the credit period agreed to be 270 days.	1.04%
		E&R(Dongguan) Semiconductor Materials Co., Ltd.	1	Accounts receivable	18,255 (Note 4)	There are no comparable transactions available, processed at the agreed price, with the credit period agreed to be 270 days.	0.43%
		Wuxi E&R Semiconductor Materials Technology Co., Ltd.	1	Other receivables	22,411	(Note 5)	0.53%
		Jiangsu Taisheng Semiconductor Technology Co., Ltd.	1	Other receivables	282,423	(Note 6)	6.63%
1	E&R(Dongguan) Semiconductor Materials Co., Ltd.	E&R Semiconductor Materials Co., Ltd.	2	Sales Accounts receivable	66,593 43,830	There are no comparable transactions available, processed at the agreed price, with the credit period agreed to be 270 days.	5.48% 1.03%
2	Jiangsu Taisheng Semiconductor Technology Co., Ltd.	Chentai Trading (Shanghai) Co. Ltd.	3	Other receivables	36,134	(Note 6)	0.85%

Note 1: Information on business transactions between the parent company and subsidiaries is indicated separately in the number column, with the numbering method as follows:

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

Note 2: There are 3 types of relationships with transaction counterparty:

1. Parent company and subsidiary.
2. Subsidiary and parent company.
3. Associates.

Note 3: The calculation of the transaction amount as a percentage of total consolidated revenue or total assets, using the ending balance as a percentage of total consolidated assets for balance sheet accounts; using the cumulative amount as a percentage of consolidated total revenue for profit and loss accounts.

Note 4: It is a purchase of raw materials, the Company lists as collection and payment process, and does not recognize as sales or purchases.

Note 5: It is overdue accounts receivable.

Note 6: Primarily related to financial arrangements, etc.

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

Table 7

## E&amp;R ENGINEERING CORPORATION AND SUBSIDIARIES

## Investee Information

September 30, 2024

Unit: Thousands of Foreign Currency; Thousands of NTD

Investor	Investee	Location	Main Business	Initial Investment Amount		Closing Balance			Shareholding Ratio x Net Value of Investee at End of the Period	Net Income (Loss) of Investee	Investment Income (Loss) Recognized for the Period	Dividend Distribution of Investee for the Current Period		Note
				End of the Period	End of Last Year	Number of Shares	Ratio	Book Value				Stock Dividend	Cash Dividends	
E&R ENGINEERING CORPORATION	TECH-WAVE Industrial Co., Ltd.	New Taipei City	Flexible printed circuit (FPC) manufacturing, processing and trading	23,000	23,000	2,500	51.43%	18,756	18,756	(8,461)	(4,351)	-	-	-
	E&R Semiconductor Materials Co., Ltd.	Hong Kong	Semiconductor packaging material buying and selling	84,839 (HKD 20,392)	84,839 (HKD 20,392)	15,000	100%	78,589	79,242	(18,555)	(18,338)	-	-	-
	ENRICHMENT TECH. CORPORATION	Samoa	Investment Holding	117,730 (USD 3,186+ NTD 18,589)	145,333 (USD 4,186+ NTD 18,589)	7,290	100%	47,938	48,316	781	781	-	-	-
	EXCELLENT INTERNATIONAL HOLDING LIMITED	British Virgin Islands	Investment Holding	286,430 (USD 9,709)	286,430 (USD 9,709)	9,709	100%	154,941	172,972	(51,674)	(51,674)	-	-	-
	EXCELLENT TECHKNOWLEDGIES HOLDINGS PTE LTD	Singapore	Investment Holding	3,291 (USD 101)	-	101	100%	3,240	3,240	44	44	-	-	-
ENRICHMENT TECH. CORPORATION	ENR Applied Packing Material Corporation	Samoa	Investment Holding	116,979 (USD 3,886)	116,979 (USD 3,886)	10,755	100%	45,804 (USD 1,447)	45,804 (USD 1,447)	(100) (USD -3)	(100) (USD -3)	-	-	-

Note: The above intercompany transactions between parent and subsidiary have been offset.

Table 8

## E&amp;R ENGINEERING CORPORATION AND SUBSIDIARIES

## Investments in China

September 30, 2024

Unit: Thousands of Foreign Currency; Thousands of NTD

Investee	Main Business	Paid-in Capital	Investment Method (Note 1)	Accumulated Investment Outflow from Taiwan as of Beginning of the Period	Investment Flows		Accumulated Investment Outflow from Taiwan as of End of the Period	Investee's Profit (Loss) for the Period	The Company's Direct or Indirect Shareholding Ratio	Investment Income (Loss) Recognized for the Period (Note 2)	Book Value of Investment at End of the Period	Investment Income Repatriated as of End of the Period
					Outflow	Inflow						
E&R(Dongguan) Semiconductor Materials Co., Ltd.	Production and sales of semiconductor packaging materials	HKD 28,180 (Note 1)	(II)	114,780 (HKD 28,180)	-	-	114,780 (HKD 28,180)	(17,668) (HK-4,311)	100%	(17,668) (HK-4,311) (2).3	78,000 (HKD 19,150)	-
Wuxi E&R Semiconductor Materials Technology Co., Ltd.	Production and sales of semiconductor packaging materials	USD 5,000 (Note 2)	(II)	160,782 (USD 5,080)	-	-	160,782 (USD 5,080)	(100) (USD-3)	100%	(100) (USD-3) (2).3	45,743 (USD 1,445)	-
Chentai Trading (Shanghai) Co. Ltd.	Automated equipment after-sales service	USD 500	(II)	15,825 (USD 500)	-	-	15,825 (USD 500)	2,264 (USD 71)	100%	2,264 (USD 71) (2).3	4,331 (USD 139)	-
Suzhou E&R PRECISION EQUIPMENT CO., LTD	Production and sales of automation equipment	USD 1,000	(II)	31,650 (USD 1,000)	-	-	31,650 (USD 1,000)	951 (USD 30)	100%	951 (USD 30) (2).3	-	-
Jiangsu Taisheng Semiconductor Technology Co., Ltd.	Production and sales of automation equipment	RMB 71,900	(II)	294,263 (RMB 65,150)	-	-	294,263 (RMB 65,150)	(57,028) (USD -1,781)	100% (Note 3)	(55,475) (USD -1,732) (2).3	190,893 (USD 6,031)	-

The Cumulative Investment Outflow at the End of the Period	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment in mainland China Stipulated by the Ministry of Economic Affairs
114,780 (HKD 28,180) (Note 4)	114,780 (HKD 28,180) (Note 1)	(Note 5)
160,782 (USD 5,080) (Note 4)	166,384 (USD 5,257) (Note 2)	
15,825(USD 500) (Note 4)	15,825 (USD 500)	
31,650 (USD 1,000) (Note 4)	31,650 (USD 1,000)	
294,263 (RMB 65,150) (Note 4)	407,181 (RMB 90,150)	

(Note 1) The Company's investment in E&R(Dongguan) Semiconductor Materials Co., Ltd. is made through E&R Semiconductor Materials Co., Ltd. (Hong Kong), which reinvests in the semiconductor materials limited company of E&R(Dongguan). The Company's investments include fixed assets at cost and cash investments, total HKD 28,180 thousand. Additionally, the Company increased its shares 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 investment amount in Mainland China calculated based on the shareholding ratio is HKD 25,443 thousand. And in August 2023, additional shares of E&R Semiconductor Materials Co., Ltd. (Hong Kong) were acquired, resulting in an indirect shareholding ratio in E&R(Dongguan) Semiconductor Materials Co., Ltd. increased from 90% to 100%, therefore the Company's investment amount in the Mainland China is HKD 28,180 thousand.

(Note 2) The Company's investment in Wuxi E&R Semiconductor Material Technology Co., Ltd. is made through Enrichment Tech. Corporation's reinvestment in Enr Applied Packing Material Corporation, and then the Company reinvests in Wuxi E&R Semiconductor Material Technology Co., Ltd. The investment of Enr Applied Packing Material in Wuxi Tai Sheng Semiconductor Materials included investments in the forms of fixed assets and cash, totaling USD5,080 thousand (the actual verified capital is USD5,080 thousand, and the registered capital of the Company is USD5,000 thousand).

(Note 3) During this period, the shareholding ratio in Jiangsu Taisheng Semiconductor Technology Co., Ltd. increased from 90.61% to 100%, which was invested by Chen-Tai Trade (Shanghai) Co. Ltd. with its funds.

(Note 4) The cumulative amount of investment remitted from Taiwan to Mainland China at the end of the period is calculated based on the actual paid-in capital of the Mainland China investees with direct or indirect investment shareholding ratio.

(Note 5) Enterprises with headquarters approved by Ministry of Economic Affairs are not subject to amount or proportion restrictions.

Note 1: The investment methods are divided into the following 3 types:

- (1) Direct investment in Mainland China
- (2) Investment in Mainland China through the establishment of companies in a third region (Please refer to Table 7)
- (3) Other methods

Note 2: In the current period's recognized investment profits and losses column:

- (1) If it is under preparation and there are no investment profits or losses, it should be indicated
- (2) The basis for recognizing investment profits and losses is divided into 3 categories, which should be indicated
  1. Financial statements audited by an international accounting firm with a cooperative relationship with accounting firms in the Republic of China
  2. Financial statements audited by the certified public accountant of the parent company in Taiwan
  3. Others

(2) Significant transactions between the Company and investees in mainland China from January to September 2024 are listed as follows:

1. Loans to investees in mainland China: refer to Table 1 in Note 13.
2. Endorsements/guarantees for investees in mainland China: refer to Table 2 in Note 13.
3. Significant Transactions with investees in mainland China: refer to Table 6 in Note 13.

(3) The aforementioned transactions between parent and subsidiaries have been offset.

Table 9

## E&amp;R ENGINEERING CORPORATION AND SUBSIDIARIES

Major Shareholders

September 30, 2024

Name of Major Shareholder	Number of Shares	Shareholding Ratio
None	-	-

Note: Shareholder information included in this table is calculated by Taiwan Depository & Clearing Corporation based on shareholders holding more than 5% of the Company's ordinary and preferred shares delivered without physical registration (including treasury shares) on the last business day of each quarter. As for the share capital recorded in the Company's financial report and the actual number of shares delivered without physical registration by the Company, there may be discrepancies due to different calculation bases.



## 14. Segment Information

### (1) General Information:

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

1. Automation Equipment Segment: mainly engaged in the manufacturing, maintenance, and sales of automation equipment, etc.
2. Flexible Printed Circuit (FPC) Segment: design, research, processing, manufacturing, and sales of flexible Printed Circuit .
3. Semiconductor Packaging Materials Segment: mainly engaged in the manufacturing and sales of semiconductor materials, etc.
4. Others: mainly engaged in investment holding and electronic materials processing.

### (2) Measurement Basis:

The Group's operating decision-makers primarily assess the performance of the operating segments based on their net profits. Furthermore, since the Group has not included the amounts of assets and liabilities in the operational decision report, the measurement amounts of the operating segment assets and liabilities are zero. The accounting policies of the operating segments are consistent with the summary of significant accounting policies described in Note 4 in the consolidated financial statements.

### (3) Segment Financial Information:

3 Months Ended September 30, 2024:

Unit: Thousands of NTD

Item	Automation Equipment	Flexible Printed Circuit (FPC)	Semiconductor Materials	Other Segments	Adjustment and Elimination	Total
Revenue						
Revenue from external customers	\$ 327,174	\$ 12,293	\$ 83,018	\$ -	\$ -	\$ 422,485
Inter-segment revenue	14,366	17	27,863	-	(42,246)	-
Total sales	\$ 341,540	\$ 12,310	\$ 110,881	\$ -	\$ (42,246)	\$ 422,485
Segment profit (loss)	\$ (34,512)	\$ (1,963)	\$ (2,442)	\$ -	\$ (621)	\$ (39,538)

3 Months Ended September 30, 2023:

Unit: Thousands of NTD

Item	Automation Equipment	Flexible Printed Circuit (FPC)	Semiconductor Materials	Other Segments	Adjustment and Elimination	Total
Revenue						
Revenue from external customers	\$ 330,164	\$ 16,573	\$ 75,895	\$ 424	\$ -	\$ 423,056
Inter-segment revenue	6,507	-	27,871	-	(34,378)	-
Total sales	\$ 336,671	\$ 16,573	\$ 103,766	\$ 424	\$ (34,378)	\$ 423,056
Segment profit (loss)	\$ 20,301	\$ 207	\$ (11,300)	\$ 26	\$ 3,440	\$ 12,674

9 Months Ended September 30, 2024:

Unit: Thousands of NTD

Item	Automation Equipment	Flexible Printed Circuit (FPC)	Semiconductor Materials	Other Segments	Adjustment and Elimination	Total
Revenue						
Revenue from external customers	\$ 956,787	\$ 31,964	\$ 225,477	\$ -	\$ -	\$ 1,214,228
Inter-segment revenue	74,020	39	69,582	-	(143,641)	-
Total sales	\$ 1,030,807	\$ 32,003	\$ 295,059	\$ -	\$ (143,641)	\$ 1,214,228
Segment profit (loss)	\$ (59,496)	\$ (10,057)	\$ (19,641)	\$ -	\$ (347)	\$ (89,541)
Total segment assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,256,860
Total segment liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,528,431

9 Months Ended September 30, 2023:

Unit: Thousands of NTD

Item	Automation Equipment	Flexible Printed Circuit (FPC)	Semiconductor Materials	Other Segments	Adjustment and Elimination	Total
Revenue						
Revenue from external customers	\$ 835,511	\$ 42,266	\$ 236,011	\$ 2,083	\$ -	\$ 1,115,871
Inter-segment revenue	18,234	42	96,518	25	(114,819)	-
Total sales	\$ 853,745	\$ 42,308	\$ 332,529	\$ 2,108	\$ (114,819)	\$ 1,115,871
Segment profit (loss)	\$ 5,423	\$ (3,498)	\$ (26,901)	\$ (392)	\$ 11,471	\$ (13,897)
Total segment assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,100,891
Total segment liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,737,741

(4) Information by product and service

Interim financial statements are exempt from disclosure.

(5) Geographic information

Interim financial statements are exempt from disclosure.

(6) Major customer information

Interim financial statements are exempt from disclosure.