

**WT MICROELECTRONICS CO., LTD. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
SEPTEMBER 30, 2024 AND 2023**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT

To the Board of Directors and Shareholders of WT Microelectronics Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of WT Microelectronics Co., Ltd. and subsidiaries (the “Group”) as at September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine months then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Conclusion

Based on our reviews, 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 at September 30, 2024 and 2023, and of its consolidated financial performance for the three months and nine months then ended and its consolidated cash flows for the nine months then ended 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.

Hsu Sheng Chung

Chieh-Ju Hsu

Hsu, Sheng-Chung

Chieh-Ju, Hsu

For and on Behalf of PricewaterhouseCoopers, Taiwan

November 5, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors’ report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2024, DECEMBER 31, 2023 AND SEPTEMBER 30, 2023
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	September 30, 2024		December 31, 2023		September 30, 2023	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 37,758,320	9	\$ 22,747,549	9	\$ 6,718,911	3
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		7,434	-	42,151	-	42,077	-
1120	Financial assets at fair value	6(3)						
	through other comprehensive							
	income - current		483,741	-	1,106,224	-	-	-
1170	Accounts receivable, net	6(4) and 7	160,628,550	39	111,636,650	42	102,016,005	45
1200	Other receivables	6(4)(5)	7,181,681	2	5,550,957	2	1,816,267	1
130X	Inventories	6(6)	142,776,587	35	95,715,497	36	93,598,675	41
1410	Prepayments		2,331,552	1	1,397,586	1	2,703,534	1
1470	Other current assets	6(1) and 8	876,762	-	550,331	-	599,873	-
11XX	Total current assets		<u>352,044,627</u>	<u>86</u>	<u>238,746,945</u>	<u>90</u>	<u>207,495,342</u>	<u>91</u>
Non-current assets								
1510	Financial assets at fair value	6(2)						
	through profit or loss - non-							
	current		371,819	-	360,778	-	377,919	-
1517	Financial assets at fair value	6(3)						
	through other comprehensive							
	income - non-current		9,891,254	3	18,833,048	7	13,943,773	6
1550	Investments accounted for	6(7)						
	using equity method		30,068	-	44,539	-	50,731	-
1600	Property, plant and equipment	6(8)	3,227,304	1	1,262,530	1	1,286,990	1
1755	Right-of-use assets	6(9)	2,252,549	1	1,030,253	1	1,034,130	-
1760	Investment property - net	6(10)	187,791	-	190,318	-	191,160	-
1780	Intangible assets	6(11)	37,674,881	9	3,339,635	1	3,484,008	2
1840	Deferred income tax assets		1,197,268	-	828,845	-	729,894	-
1900	Other non-current assets		538,809	-	548,081	-	420,967	-
15XX	Total non-current assets		<u>55,371,743</u>	<u>14</u>	<u>26,438,027</u>	<u>10</u>	<u>21,519,572</u>	<u>9</u>
1XXX	Total assets		<u>\$ 407,416,370</u>	<u>100</u>	<u>\$ 265,184,972</u>	<u>100</u>	<u>\$ 229,014,914</u>	<u>100</u>

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WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2024, DECEMBER 31, 2023 AND SEPTEMBER 30, 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	September 30, 2024		December 31, 2023		September 30, 2023		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(12)	\$ 33,349,295	8	\$ 19,821,848	8	\$ 25,045,904	11
2110	Short-term notes and bills payable	6(13)	899,754	-	349,848	-	349,789	-
2120	Financial liabilities at fair value through profit or loss - current	6(2)	10,510	-	41,185	-	4,224	-
2130	Contract liabilities - current	6(23)	759,383	-	1,461,903	1	832,684	-
2170	Accounts payable	7	176,593,356	43	147,955,015	56	126,867,964	55
2200	Other payables	6(14)	9,766,205	3	5,980,439	2	4,060,387	2
2230	Current income tax liabilities		1,783,390	1	745,342	-	359,145	-
2280	Lease liabilities - current		751,621	-	240,516	-	250,892	-
2320	Long-term liabilities, current portion	6(15)	82,556	-	88,382	-	748	-
2365	Refund liabilities - current	6(23)	1,056,382	-	1,127,279	-	1,080,457	1
2399	Other current liabilities		1,804,508	1	77,048	-	60,194	-
21XX	Total current liabilities		<u>226,856,960</u>	<u>56</u>	<u>177,888,805</u>	<u>67</u>	<u>158,912,388</u>	<u>69</u>
Non-current liabilities								
2540	Long-term loans	6(15)	84,502,597	21	12,644,242	5	5,012,038	2
2570	Deferred income tax liabilities		1,104,251	-	1,031,875	-	1,133,144	1
2580	Lease liabilities - non-current		1,258,923	-	478,104	-	460,387	-
2600	Other non-current liabilities		396,509	-	1,196,294	1	1,378,228	1
25XX	Total non-current liabilities		<u>87,262,280</u>	<u>21</u>	<u>15,350,515</u>	<u>6</u>	<u>7,983,797</u>	<u>4</u>
2XXX	Total liabilities		<u>314,119,240</u>	<u>77</u>	<u>193,239,320</u>	<u>73</u>	<u>166,896,185</u>	<u>73</u>
Equity attributable to owners of parent								
Share capital								
3110	Common stock	6(18)	11,161,104	3	8,873,017	3	8,867,972	4
3120	Preferred stock		1,350,000	-	1,350,000	1	1,350,000	1
3130	Certificates of entitlement to new shares from convertible bonds		3,125	-	6,540	-	5,650	-
3140	Advance receipts for share capital		-	-	5,423,396	2	-	-
Capital surplus								
3200	Capital surplus	6(19)	47,580,905	12	25,680,674	9	25,495,390	11
Retained earnings								
3310	Legal reserve	6(20)	4,717,884	1	4,311,098	2	4,311,098	2
3320	Special reserve		-	-	1,564,387	1	1,564,387	1
3350	Unappropriated retained earnings		24,500,712	6	14,300,632	5	13,205,771	6
Other equity interest								
3400	Other equity interest	6(21)	3,092,941	1	9,599,039	4	6,367,902	2
31XX	Equity attributable to owners of the parent		<u>92,406,671</u>	<u>23</u>	<u>71,108,783</u>	<u>27</u>	<u>61,168,170</u>	<u>27</u>
36XX	Non-controlling interest	6(22)	890,459	-	836,869	-	950,559	-
3XXX	Total equity		<u>93,297,130</u>	<u>23</u>	<u>71,945,652</u>	<u>27</u>	<u>62,118,729</u>	<u>27</u>
Commitments and contingent liabilities								
Significant subsequent events								
3X2X	Total liabilities and equity		<u>\$ 407,416,370</u>	<u>100</u>	<u>\$ 265,184,972</u>	<u>100</u>	<u>\$ 229,014,914</u>	<u>100</u>

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

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	Three months ended September 30				Nine months ended September 30				
		2024		2023		2024		2023		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(23) and 7	\$ 261,255,812	100	\$ 167,259,801	100	\$ 697,554,293	100	\$ 404,822,806	100
5000	Operating costs	6(6) and 7	(250,300,456)	(96)	(162,198,530)	(97)	(670,736,317)	(96)	(391,412,752)	(96)
5900	Gross profit		<u>10,955,356</u>	<u>4</u>	<u>5,061,271</u>	<u>3</u>	<u>26,817,976</u>	<u>4</u>	<u>13,410,054</u>	<u>4</u>
	Operating expenses	6(28)								
6100	Selling expenses		(5,656,630)	(2)	(1,639,651)	(1)	(12,932,841)	(2)	(4,616,625)	(1)
6200	General and administrative expenses		(885,955)	(1)	(983,181)	(1)	(2,123,534)	(1)	(1,986,027)	(1)
6300	Research and development expenses		(202,336)	-	(193,759)	-	(647,491)	-	(521,125)	-
6450	Reversal of impairment loss (impairment loss) determined in accordance with IFRS 9	12(2)	(36,604)	-	14,332	-	(65,821)	-	(2,914)	-
6000	Total operating expenses		(6,781,525)	(3)	(2,802,259)	(2)	(15,769,687)	(3)	(7,126,691)	(2)
6900	Operating profit		<u>4,173,831</u>	<u>1</u>	<u>2,259,012</u>	<u>1</u>	<u>11,048,289</u>	<u>1</u>	<u>6,283,363</u>	<u>2</u>
	Non-operating income and expenses									
7100	Interest income	6(24)	208,513	-	30,113	-	630,541	-	84,402	-
7010	Other income	6(25)	203,844	-	256,546	-	423,382	-	570,817	-
7020	Other gains and losses	6(26)	133,334	-	2,162	-	272,749	-	124,488	-
7050	Finance costs	6(27)	(1,153,300)	-	(915,749)	-	(3,820,884)	-	(3,113,306)	(1)
7060	Share of loss of associates and joint ventures accounted for using equity method	6(7)	(9,047)	-	(9,582)	-	(22,413)	-	(14,437)	-
7000	Total non-operating income and expenses		(616,656)	-	(636,510)	-	(2,516,625)	-	(2,348,036)	(1)
7900	Profit before income tax		<u>3,557,175</u>	<u>1</u>	<u>1,622,502</u>	<u>1</u>	<u>8,531,664</u>	<u>1</u>	<u>3,935,327</u>	<u>1</u>
7950	Income tax expense	6(30)	(751,629)	-	(349,783)	-	(1,931,450)	-	(923,140)	-
8200	Profit for the period		<u>\$ 2,805,546</u>	<u>1</u>	<u>\$ 1,272,719</u>	<u>1</u>	<u>\$ 6,600,214</u>	<u>1</u>	<u>\$ 3,012,187</u>	<u>1</u>

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WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	Three months ended September 30				Nine months ended September 30				
		2024		2023		2024		2023		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
Other comprehensive income (loss)										
Components of other comprehensive income (loss) that will not be reclassified to profit or loss										
8316	Unrealised gain or loss on valuation of equity investment instruments measured at fair value through other comprehensive income	6(21)(22)								
			(\$ 3,089,717)	(1)	\$ 959,095	1	(\$ 1,044,916)	-	\$ 4,904,563	1
8310	Other comprehensive income (loss) that will not be reclassified to profit or loss		(3,089,717)	(1)	959,095	1	(1,044,916)	-	4,904,563	1
Components of other comprehensive income (loss) that will be reclassified to profit or loss										
8361	Financial statements translation differences of foreign operations	6(21)(22)	(4,513,358)	(2)	2,412,177	1	378,068	-	2,963,911	1
8368	Losses on hedging instrument	6(21)	-	-	-	-	(1,165,532)	-	-	-
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	6(21) and 7	149	-	(66)	-	793	-	(342)	-
8360	Other comprehensive income (loss) that will be reclassified to profit or loss		(4,513,209)	(2)	2,412,111	1	(786,671)	-	2,963,569	1
8300	Total other comprehensive income (loss) for the period		(\$ 7,602,926)	(3)	\$ 3,371,206	2	(\$ 1,831,587)	-	\$ 7,868,132	2
8500	Total comprehensive income (loss) for the period		(\$ 4,797,380)	(2)	\$ 4,643,925	3	\$ 4,768,627	1	\$ 10,880,319	3
Profit (loss) attributable to:										
8610	Owners of the parent		\$ 2,835,990	1	\$ 1,280,086	1	\$ 6,576,010	1	\$ 2,968,494	1
8620	Non-controlling interest		(30,444)	-	(7,367)	-	24,204	-	43,693	-
			\$ 2,805,546	1	\$ 1,272,719	1	\$ 6,600,214	1	\$ 3,012,187	1
Comprehensive income (loss) attributable to:										
8710	Owners of the parent		(\$ 4,745,465)	(2)	\$ 4,619,446	3	\$ 4,722,081	1	\$ 10,798,271	3
8720	Non-controlling interest		(51,915)	-	24,479	-	46,546	-	82,048	-
			(\$ 4,797,380)	(2)	\$ 4,643,925	3	\$ 4,768,627	1	\$ 10,880,319	3
Earnings per share (in dollars)										
9750	Basic earnings per share	6(31)	\$ 2.54		\$ 1.45		\$ 5.85		\$ 3.06	
9850	Diluted earnings per share		\$ 2.52		\$ 1.43		\$ 5.80		\$ 3.02	

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

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Equity attributable to owners of the parent												Non-controlling interest	Total equity
	Capital				Retained Earnings				Other Equity Interest					
	Notes	Share capital - common stock	Preferred stock	Certificates of bond-to-stock conversion	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Other equity interest	Losses on hedging instruments	Total		
Nine months ended September 30, 2023														
		\$ 8,835,297	\$ 1,350,000	\$ -	\$ -	\$ 25,294,109	\$ 3,542,791	\$ -	\$ 16,647,535	(\$ 1,564,387)	\$ -	\$ 54,105,345	\$ 868,976	\$ 54,974,321
		-	-	-	-	-	-	2,968,494	-	-	-	2,968,494	43,693	3,012,187
		-	-	-	-	-	-	-	7,829,777	-	-	7,829,777	38,355	7,868,132
	6(21)(22)	-	-	-	-	-	-	2,968,494	7,829,777	-	-	10,798,271	82,048	10,880,319
Appropriations of 2022 earnings:														
		-	-	-	-	-	768,307	-	(768,307)	-	-	-	-	-
		-	-	-	-	-	-	1,564,387	(1,564,387)	-	-	-	-	-
		-	-	-	-	-	-	-	(3,812,065)	-	(3,812,065)	-	(3,812,065)	
		-	-	-	-	-	-	-	(270,000)	-	(270,000)	-	(270,000)	
	6(18)(19)	33,310	-	5,650	-	119,866	-	-	-	-	-	158,826	-	158,826
	6(18)(19)	(635)	-	-	-	635	-	-	-	-	-	-	-	-
	6(19)(21)	-	-	-	(3,531)	-	-	-	-	3,531	-	-	-	-
	6(19)	-	-	-	-	-	-	(1,064)	-	-	(1,064)	-	(1,064)	
	6(17)	-	-	-	-	84,311	-	-	-	37,414	-	121,725	-	121,725
	6(22)	-	-	-	-	-	-	-	-	-	-	-	(465)	(465)
	6(21)	-	-	-	-	-	-	5,565	(5,565)	-	-	-	-	-
	6(21)	-	-	-	-	-	-	-	67,132	-	67,132	-	-	67,132
		\$ 8,867,972	\$ 1,350,000	\$ 5,650	\$ -	\$ 25,495,390	\$ 4,311,098	\$ 1,564,387	\$ 13,205,771	\$ 6,367,902	\$ -	\$ 61,168,170	\$ 950,559	\$ 62,118,729
Nine months ended September 30, 2024														
		\$ 8,873,017	\$ 1,350,000	\$ 6,540	\$ 5,423,396	\$ 25,680,674	\$ 4,311,098	\$ 1,564,387	\$ 14,300,632	\$ 9,599,039	\$ -	\$ 71,108,783	\$ 836,869	\$ 71,945,652
		-	-	-	-	-	-	6,576,010	-	-	-	6,576,010	24,204	6,600,214
	6(21)(22)	-	-	-	-	-	-	-	(688,397)	(1,165,532)	(1,853,929)	22,342	(1,831,587)	
		-	-	-	-	-	-	6,576,010	(688,397)	(1,165,532)	4,722,081	46,546	4,768,627	
Appropriations of 2023 earnings:														
		-	-	-	-	-	406,786	-	(406,786)	-	-	-	-	-
		-	-	-	-	-	-	(1,564,387)	1,564,387	-	-	-	-	-
		-	-	-	-	-	-	-	(2,008,438)	-	(2,008,438)	-	(2,008,438)	
		-	-	-	-	-	-	-	(270,000)	-	(270,000)	-	(270,000)	
	6(18)(19)	2,200,000	-	-	(5,423,396)	21,470,853	-	-	-	-	-	18,247,457	-	18,247,457
	6(18)(19)	88,665	-	(3,415)	-	396,708	-	-	-	-	-	481,958	-	481,958
	6(18)(19)	(578)	-	-	-	578	-	-	-	-	-	-	-	-
	6(19)(21)	-	-	-	-	(2,948)	-	-	2,948	-	-	-	-	-
		-	-	-	-	(1,830)	-	-	98	-	(1,732)	-	(1,732)	
	6(7)(19)	-	-	-	-	5,549	-	-	-	-	5,549	-	5,549	
	6(17)	-	-	-	-	31,321	-	-	-	16,897	-	48,218	-	48,218
	6(22)	-	-	-	-	-	-	-	-	-	-	4,168	4,168	
	6(21)(22)	-	-	-	-	-	-	4,744,809	(4,744,809)	-	-	2,876	2,876	
	6(21)	-	-	-	-	-	-	-	72,795	-	72,795	-	72,795	
		\$ 11,161,104	\$ 1,350,000	\$ 3,125	\$ -	\$ 47,580,905	\$ 4,717,884	\$ -	\$ 24,500,712	\$ 4,258,473	(\$ 1,165,532)	\$ 92,406,671	\$ 890,459	\$ 93,297,130

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

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Nine months ended September 30	
		2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 8,531,664	\$ 3,935,327
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(28)	733,918	332,064
Amortisation	6(28)	249,690	78,954
Impairment loss determined in accordance with IFRS 9	12(2)	65,821	2,914
Net gain on financial assets and liabilities at fair value through profit or loss	6(26)	(46,708)	(450,012)
Share-based payments	6(17)	48,218	121,725
Share of profit or loss of associates and joint ventures accounted for using equity method	6(7)	22,413	14,437
Loss (gain) on disposal of property, plant and equipment, net	6(26)	5,635	(218)
Interest expense	6(27)	2,564,259	1,865,329
Interest income	6(24)	(630,541)	(84,402)
Dividend income	6(25)	(258,272)	(436,075)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		12,744,953	(11,317,516)
Other receivables		(426,959)	805,618
Inventories		(3,089,868)	(2,337,740)
Prepayments		(406,106)	(1,833,577)
Other current assets (including contract assets)		(313,728)	3,383
Changes in operating liabilities			
Financial assets and liabilities at fair value through profit or loss		10,069	415,962
Contract liabilities		(748,381)	(103,447)
Accounts payable		(408,028)	44,949,695
Other payables		5,105,589	(139,435)
Other current liabilities (including refund liabilities)		1,721,172	286,466
Net defined benefit liability		176,964	-
Cash inflow generated from operations		25,651,774	36,109,452
Interest received		630,541	84,402
Dividends received		258,272	436,075
Interest paid		(2,545,556)	(1,939,703)
Income taxes paid		(421,961)	(1,434,388)
Net cash flows from operating activities		<u>23,573,070</u>	<u>33,255,838</u>

(Continued)

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Nine months ended September 30	
		2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		(\$ 5,097)	(\$ 80,687)
Proceeds from disposal of financial assets at fair value through profit or loss		13,908	-
Acquisition of financial assets at fair value through other comprehensive income		(12,500)	(30,201)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	8,556,585	138,157
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		12,115	-
Increase in other financial assets		-	(516,079)
Acquisition of property, plant and equipment	6(33)	(187,409)	(193,296)
Proceeds from disposal of property, plant and equipment		15,164	531
Acquisition of intangible assets		(38,049)	(24,066)
Increase in guarantee deposits		(51,284)	(13,484)
Decrease in guarantee deposits		215,513	7,008
Net cash payments for business combination	6(33)	(117,455,548)	(199,306)
Decrease in other non-current assets		72,958	9,580
Net cash flows used in investing activities		<u>(108,863,644)</u>	<u>(901,843)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(34)	1,094,899,853	613,129,424
Decrease in short-term borrowings	6(34)	(1,081,419,031)	(626,718,018)
Increase (decrease) in short-term notes and bills payable	6(34)	535,189	(715,446)
Proceeds from long-term loans	6(34)	146,080,555	40,553,604
Repayments of long-term loans	6(34)	(74,320,473)	(53,237,421)
Payment of lease liabilities	6(34)	(474,653)	(220,583)
(Decrease) increase in other non-current liabilities		(903,674)	11,598
Cash dividends paid	6(20)	(2,278,438)	(4,082,065)
Acquisition of equity of subsidiary	6(33)	-	(1,786)
Employee stock options exercised		481,958	158,826
Capital injection		18,247,457	-
Net cash flows from (used in) financing activities		<u>100,848,743</u>	<u>(31,121,867)</u>
Effect of exchange rate changes on cash and cash equivalents		<u>(547,398)</u>	<u>103,529</u>
Net increase in cash and cash equivalents		15,010,771	1,335,657
Cash and cash equivalents at beginning of period		22,747,549	5,383,254
Cash and cash equivalents at end of period		<u>\$ 37,758,320</u>	<u>\$ 6,718,911</u>

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

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

WT Microelectronics Co., Ltd. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in the sales of electronic, communication components, and their components, as well as general import and export trade.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were reported to the Board of Directors on November 5, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS[®]") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2025 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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 associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Accounting Standards 34, “ Interim financial reporting” that came into effect as endorsed by the FSC.

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit assets (liabilities) recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) 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.
- (b) Inter-company transactions, balances and unrealised 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.
- (c) 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.

- (d) 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 recognised directly in equity.
- (e) 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 recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss 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 recognised 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.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Note
			September 30, 2024	December 31, 2023	September 30, 2023	
WT Microelectronics Co., Ltd.	Wintech Microelectronics Holding Limited	Investment Company	100	99.65	99.65	(e)
WT Microelectronics Co., Ltd.	Morrihan International Corp.	Trading Company	100	100	100	
WT Microelectronics Co., Ltd.	BSI Semiconductor Pte. Ltd.	Investment Company	100	100	100	
WT Microelectronics Co., Ltd.	Nuvision Technology Inc.	Trading Company	100	100	100	
WT Microelectronics Co., Ltd.	Milestone Investment Co., Ltd.	Investment Company	100	100	100	
WT Microelectronics Co., Ltd.	SinYie Investment Co., Ltd.	Investment Company	100	100	100	
WT Microelectronics Co., Ltd.	Techmosa International Inc.	Trading Company	100	100	100	
WT Microelectronics Co., Ltd.	MSD Holdings Pte. Ltd.	Trading Company	100	100	100	
WT Microelectronics Co., Ltd.	Maxtek Technology Co., Ltd.	Trading Company	100	100	100	
WT Microelectronics Co., Ltd.	Analog World Co., Ltd.	Trading Company	100	100	100	
WT Microelectronics Co., Ltd.	WT Semiconductor Holdings Pte. Ltd.	Investment Company	80	80	80	
WT Microelectronics Co., Ltd.	WT Solomon QCE Ltd.	Trading Company	100	100	100	
WT Microelectronics Co., Ltd.	WT Microelectronics (Hong Kong) Limited	Trading Company	100	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Note
			September 30, 2024	December 31, 2023	September 30, 2023	
WT Microelectronics Co., Ltd.	WT Technology (H.K.) Limited	Trading Company	100	100	100	
WT Microelectronics Co., Ltd.	WT Microelectronics Singapore Pte. Ltd.	Trading Company	100	100	100	
WT Microelectronics Co., Ltd.	WT Technology Pte. Ltd.	Trading Company	100	100	100	
WT Microelectronics Co., Ltd.	Future Electronics Inc.	Trading Company	51	-	-	(d)
Wintech Microelectronics Holding Limited	WT Microelectronics (Shanghai) Co., Ltd.	Trading Company	100	100	100	
Wintech Microelectronics Holding Limited	Promising Investment Limited	Investment Company	100	100	100	
Wintech Microelectronics Holding Limited	Wintech Microelectronics Ltd.	Trading Company	100	100	100	
Wintech Microelectronics Holding Limited	Wintech Microelectronics Limited	Investment Company	-	-	100	(b)
Wintech Microelectronics Holding Limited	Wintech Investment Co., Ltd.	Investment Company	100	100	100	
Wintech Microelectronics Holding Limited	Brillnics Inc.	Investment Company	-	61.23	61.46	(a)(c)
BSI Semiconductor Pte. Ltd.	Wonchang Semiconductor Co., Ltd.	Trading Company	100	100	100	
BSI Semiconductor Pte. Ltd.	WT Technology Korea Co., Ltd.	Trading Company	4.53	4.53	4.53	
Morrihan International Corp.	Asia Latest Technology Limited	Investment Company	100	100	100	
Morrihan International Corp.	Future Electronics Inc.	Trading Company	49	-	-	(d)
Promising Investment Limited	Nino Capital Co., Ltd.	Investment Company	100	100	100	
Promising Investment Limited	Rich Web Ltd.	Investment Company	100	100	100	
Wintech Investment Co., Ltd.	WT Microelectronics (Malaysia) Sdn. Bhd.	Trading Company	100	100	100	
Wintech Investment Co., Ltd.	WT Technology Korea Co., Ltd.	Trading Company	95.47	95.47	95.47	
Nino Capital Co., Ltd.	Shanghai WT Microelectronics Co., Ltd.	Trading Company	100	100	100	
Rich Web Ltd.	WT Microelectronics (Shenzhen) Co., Ltd.	Trading Company	100	100	100	
WT Microelectronics Singapore Pte. Ltd.	Brillnics Inc.	Investment Company	60.43	-	-	(a)(c)
WT Microelectronics Singapore Pte. Ltd.	WT Microelectronics (Thailand) Co., Limited.	Trading Company	100	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Note
			September 30, 2024	December 31, 2023	September 30, 2023	
WT Microelectronics Singapore Pte. Ltd.	WT Microelectronics India Private Limited	Trading Company	100	100	100	
SinYie Investment Co., Ltd.	Wintech Microelectronics Holding Limited	Investment Company	-	0.35	0.35	(e)
Asia Latest Technology Limited	WT Microelectronics (Shanghai) Technology Co., Ltd.	Selling and Technology Servicing	100	100	100	
Techmosa International Inc.	Morrihan Singapore Pte. Ltd.	Trading Company	100	100	100	
Maxtek Technology Co., Ltd.	HongTech Electronics Co., Ltd.	Trading Company	100	100	100	
Maxtek Technology Co., Ltd.	Lacewood International Corp.	Trading Company	100	100	100	
Brillnics Inc.	Brillnics (HK) Limited	Selling and Technology Servicing	100	100	100	
Brillnics Inc.	Brillnics Singapore Pte. Ltd.	Trading Company	100	100	100	
Brillnics (HK) Limited	Brillnics Japan Inc.	Research and Development Company	100	100	100	
Brillnics (HK) Limited	Brillnics (Taiwan) Inc.	Research and Development Company	100	100	100	
WT Semiconductor Holdings Pte. Ltd.	Excelpoint Technology Pte. Ltd.	Investment Company	100	100	100	
Analog Word Co., Ltd.	Leader's Technology Co., Ltd.	Selling and Technology Servicing	100	100	100	

- (a) Employees of BRILLNICS INC. exercised employee stock options in installments for the nine months ended September 30, 2024 and 2023 and accordingly, the shareholder ratio decreased to 60.43% and 61.46%, respectively.
- (b) In November 2023, WINTECH MICROELECTRONICS LIMITED has been dissolved and liquidated.
- (c) In January 2024, WT MICROELECTRONICS SINGAPORE PTE. LTD. directly held all the equity interest in BRILLNICS INC. in response to the adjustment of the Group's organisational structure.
- (d) In April 2024, the Group acquired all the equity interest of FUTURE ELECTRONICS INC. by cash and it became a wholly-owned subsidiary of the Group and has been included in the consolidated financial statements since the date of acquisition.

(e) On September 30, 2024, SINYIE INVESTMENT CO., LTD. transferred all of its shares of WINTECH MICROELECTRONICS HOLDING LIMITED to WT MICROELECTRONICS CO., LTD..

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

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

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

Name of Subsidiary	Principal place of business	Non-controlling interest					
		September 30, 2024		December 31, 2023		September 30, 2023	
		Amount	Ownership (%)	Amount	Ownership (%)	Amount	Ownership (%)
WT Semiconductor Holdings Pte. Ltd.	Singapore	\$ 737,371	20%	\$ 771,790	20%	\$ 831,921	20%

Summarised financial information of WT Semiconductor Holdings Pte. Ltd.:

Balance Sheet

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current assets	\$ 13,622,147	\$ 15,165,272	\$ 15,807,369
Non-current assets	2,030,845	1,999,839	2,060,129
Current liabilities	(10,655,735)	(11,955,184)	(12,358,624)
Non-current liabilities	(169,367)	(245,968)	(193,181)
Total net assets	<u>\$ 4,827,890</u>	<u>\$ 4,963,959</u>	<u>\$ 5,315,693</u>

Statement of comprehensive income

	Three months ended September 30,	
	2024	2023
Revenue	\$ 12,150,539	\$ 10,840,851
Loss for the period from continuing operations	(183,742)	(36,514)
Other comprehensive income (loss), net of tax	5,572	(4,810)
Total comprehensive loss for the period	<u>(\$ 178,170)</u>	<u>(\$ 41,324)</u>
Comprehensive (loss) income attributable to non-controlling interest	<u>(\$ 54,708)</u>	<u>\$ 20,556</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>
	Nine months ended September 30,	
	2024	2023
Revenue	\$ 32,146,416	\$ 28,814,277
Loss for the period from continuing operations	(294,466)	(62,238)
Other comprehensive loss, net of tax	(3,955)	(11,475)
Total comprehensive loss for the period	<u>(\$ 298,421)</u>	<u>(\$ 73,713)</u>
Comprehensive (loss) income attributable to non-controlling interest	<u>(\$ 34,419)</u>	<u>\$ 26,331</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

Statement of cash flows

	Nine months ended September 30,	
	2024	2023
Net cash flows (used in) from operating activities	(\$ 1,078,445)	\$ 843,630
Net cash flows used in investing activities	(24,625)	(52,751)
Net cash flows from (used in) financing activities	950,021	(430,142)
Effect of exchange rate changes on cash and cash equivalents	48,687	54,947
(Decrease) increase in cash and cash equivalents	<u>(104,362)</u>	<u>415,684</u>
Cash and cash equivalents at beginning of period	<u>1,525,980</u>	<u>765,907</u>
Cash and cash equivalents at end of period	<u>\$ 1,421,618</u>	<u>\$ 1,181,591</u>

The summarised financial information of the subsidiaries stated above were based on each subgroup's consolidated balance sheets, consolidated statements of comprehensive income and consolidated statements of cash flows in their respective presentation currencies and translated into New Taiwan Dollars at the closing exchange rate at the corresponding balance sheet date and average exchange rate for the current period, respectively.

(4) Foreign currency translation

- A. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is

the Company's functional and the Group's presentation currency.

B. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses.'

C. Translation of foreign operations

- (a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, if the Group retains partial interest in the former foreign associate or joint arrangement after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangement, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group

retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

- (d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

A. These are financial assets that are not measured at amortised cost or at fair value through other comprehensive income and are held for trading if acquired principally for the purpose of repurchasing in the short term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.

B. On a regular way purchase or sale basis, financial assets and liabilities at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets and financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

D. The Group recognises the dividend income when the right to receive payment is established, future

economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition relating to the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are initially recognised and subsequently measured at initial invoice amount as the effect of discounting is immaterial.
- C. The Group's operating pattern of accounts receivable that are expected to be factored is for the purpose of receiving contract cash flow and selling, and the accounts receivable are subsequently measured at fair value, with any changes in fair value recognised in other comprehensive income.

(10) Impairment of financial assets

For financial assets at amortised cost at each reporting date, the Group recognises the impairment provision for twelve months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred, however, the Group has not retained control of the financial asset.

(12) Leasing arrangements (lessor) - operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

A. The cost of inventories includes the purchase price, import duties and other costs directly attributable to the acquisition of goods. The discount, allowance and others alike should be deducted from the cost.

B. Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(14) Investments accounted for using equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously

recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

- F. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings	27 ~ 56 years
Office equipment	2 ~ 25 years
Other assets	2 ~ 15 years

(16) Leasing arrangements (lessee) - right-of-use assets / lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the Group's incremental borrowing interest rate. Lease payments are comprised of the following:

(a) Fixed payments, less any lease incentives receivable; and

(b) Variable lease payments that depend on an index or a rate.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date; and

(c) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 27 ~ 56 years.

(18) Intangible assets

A. Goodwill arises in a business combination accounted for by applying the acquisition method.

B. Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 2 ~ 5 years.

C. Other intangible assets, mainly customer relationship, are recorded at cost and amortised on a straight-line basis over the estimated useful life of 5 ~ 26.74 years.

(19) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amount of goodwill shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(20) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are initially recognised and subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Borrowings

- A. Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.
- B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs.

(22) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(23) Hedge accounting

- A. At the inception of the hedging relationship, there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. That documentation shall include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements.
- B. The Group designates the hedging relationship as follows hedge of a net investment in a foreign operation.
- C. Hedges of a net investment in a foreign operation
 - (a) It is accounted for similarly to cash flow hedges.
 - (b) The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. The ineffective portion is recognised in profit or loss.
 - (c) The cumulative gain or loss on the hedging instrument relating to the effective portion of the hedge that has been accumulated in the foreign currency translation reserve shall be reclassified from equity to profit or loss as a reclassification adjustment.

(24) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(25) Employee share-based payment

- A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.
- B. The grant date of cash capital increase reserved for employee preemption is the date at which the entity and the employee agree to a share-based payment arrangement, being when the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement.
- C. Restricted stocks:
 - (a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date and are recognised as compensation cost over the vesting period.
 - (b) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognises the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.

- (c) For restricted stocks where employees do not need to pay to acquire those stocks, if the employees resign during the vesting period, the restricted stocks will be redeemed and retired by the Group without further consideration and recognised as deduction of share capital and additional paid-in capital, in accordance with the terms of restricted stocks.

(26) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset, and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.
- G. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.
- H. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

(27) Share capital

- A. Common stock is classified as equity. The classification of preferred stocks is determined according to the special rights attached to the preferred stocks based on the substance of the contract and the definition of financial liabilities and equity instruments. Preferred stocks are classified as liabilities when they have the basic characteristics of financial liabilities; otherwise, they are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their carrying amount and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(28) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders or Board of Directors. Cash dividends are recorded as liabilities.

(29) Revenue recognition

A. Sales of goods

- (a) The Group sells electronic components. Sales are recognised when the control of the products has been transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

- (b) The goods are often sold with discounts based on aggregate sales. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated sales discounts and allowances. Accumulated experience is used to estimate and provide for the sales discounts and allowances, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognised for expected discounts payable to customers in relation to sales made until the end of the reporting period. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.
- (c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. The customer pays at the time specified in the payment schedule. If the payments exceed the merchandise provided, a contract liability is recognised.

B. Services

- (a) The Group provides semiconductor development services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided at the end of the reporting period in a proportion to the total services to be provided. This is determined based on the contract costs incurred for services performed to the estimated total cost for the service contract. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.
- (b) The Group's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

(30) Business combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation

at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(31) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

Revenue recognition on a net/gross basis

The Group determines whether the nature of its performance obligation is to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for the other party to provide those goods or services (i.e. the Group is an agent) based on the transaction model and its economic substance. The Group is a principal if it controls a promised good or service before it transfers the good or service to a customer. The Group recognises revenue at gross amount of consideration to which it expects to be entitled in exchange for those goods or services transferred. The Group is an agent if its performance obligation is to arrange for the provision of goods or services by another party. The Group recognises revenue at the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its goods or services.

Indicators that the Group controls the goods or services before it is provided to a customer include the following:

- A. The Group is primarily responsible for the provision of goods or services.

- B. The Group assumes the inventory risk before transferring the specified goods or services to the customer or after transferring control of the goods or services to the customer.
- C. The Group has discretion in establishing prices for the goods or services.

(2) Critical accounting estimates and assumptions

A. Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group’s subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units. Refer to Note 6(11) for the information on goodwill impairment as of September 30, 2024.

B. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the estimated selling price in the ordinary course of business within the specified period before the balance sheet date. Therefore, there might be material changes to the evaluation. Refer to Note 6(6) for the carrying amount of inventory as of September 30, 2024.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Cash on hand and revolving funds	\$ 32,590	\$ 2,614	\$ 2,299
Checking accounts and demand deposits	37,187,000	21,985,282	6,493,893
Time deposits	<u>538,730</u>	<u>759,653</u>	<u>222,719</u>
	<u>\$ 37,758,320</u>	<u>\$ 22,747,549</u>	<u>\$ 6,718,911</u>

- A. The Group transacts with a variety of financial institutions all with good credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. The Group’s deposits with banks that have been pledged as collateral were classified as ‘other current assets.’ Refer to Note 8 for details. As of September 30, 2024, December 31, 2023 and September 30, 2023, the time deposits with maturity date over 3 months of \$873,688, \$546,080 and \$596,743, respectively, are recorded as ‘other current assets.’

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

<u>Assets</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current items:			
Beneficiary certificates	\$ -	\$ 11,630	\$ 10,189
Equity instruments	5,890	5,778	5,195
Derivatives	1,544	179	877
Hybrid instrument	-	24,564	25,816
	<u>\$ 7,434</u>	<u>\$ 42,151</u>	<u>\$ 42,077</u>
Non-current items:			
Beneficiary certificates	\$ 321,858	\$ 296,852	\$ 288,840
Debt instruments	34,115	48,573	72,944
Hybrid instrument	15,846	15,353	16,135
	<u>\$ 371,819</u>	<u>\$ 360,778</u>	<u>\$ 377,919</u>
<u>Liabilities</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current items:			
Derivatives	<u>\$ 10,510</u>	<u>\$ 41,185</u>	<u>\$ 4,224</u>

A. Amounts recognised in profit or loss in relation to financial assets and liabilities measured at fair value through profit or loss are as follows:

	<u>Three months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Derivatives	(\$ 275,713)	\$ 90,493
Beneficiary certificates	(15,421)	(1,981)
Equity instruments	(1,075)	(694)
Debt instruments	(55)	(2,982)
Hybrid instrument	(353)	-
	<u>(\$ 292,617)</u>	<u>\$ 84,836</u>
	<u>Nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Derivatives	\$ 42,795	\$ 423,968
Beneficiary certificates	20,339	28,858
Equity instruments	112	694
Debt instruments	(16,185)	(3,508)
Hybrid instrument	(353)	-
	<u>\$ 46,708</u>	<u>\$ 450,012</u>

B. The non-hedging derivative financial assets and liabilities and contract information are as follows:

September 30, 2024			
Derivative financial assets	Contract amount (Notional principal) (In thousands)		Contract period
Current items:			
Forward foreign exchange contracts	USD (BUY)	51,180	2024.9.27~2024.10.31
Derivative financial liabilities			
Current items:			
Forward foreign exchange contracts	USD (BUY)	259,445	2024.9.26~2024.11.1 December 31, 2023

September 30, 2023			
Derivative financial assets	Contract amount (Notional principal) (In thousands)		Contract period
Current items:			
Forward foreign exchange contracts	USD (BUY)	5,000	2023.12.27~2024.2.29
Derivative financial liabilities			
Current items:			
Forward foreign exchange contracts	USD (BUY)	235,000	2023.11.28~2024.2.29

September 30, 2023			
Derivative financial assets	Contract amount (Notional principal) (In thousands)		Contract period
Current items:			
Forward foreign exchange contracts	USD (BUY)	65,000	2023.9.26~2023.11.30
Derivative financial liabilities			
Current items:			
Forward foreign exchange contracts	USD (BUY)	175,000	2023.9.26~2023.11.30

The Group entered into forward foreign exchange contracts to buy USD to hedge exchange rate risk of foreign currency. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

C. For the derivative transactions, the Group deals with a variety of financial institutions all with high credit quality, so it expects that the probability of counterparty default is remote.

D. The Group has no financial assets measured at fair value through profit or loss pledged to others.

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

<u>Items</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current items:			
Equity instruments	<u>\$ 483,741</u>	<u>\$ 1,106,224</u>	<u>\$ -</u>
Non-current items:			
Equity instruments	<u>\$ 9,891,254</u>	<u>\$ 18,833,048</u>	<u>\$ 13,943,773</u>

A. The Group has elected to classify certain strategic investments in the aforementioned equity instruments, including publicly listed and privately held companies, as financial assets measured at fair value through other comprehensive income.

B. The Group sold \$8,556,585 and \$138,157 of listed shares at fair value to satisfy its operating capital needs which resulted in a cumulative gain on disposal of \$4,747,685 and \$5,565 (accounted under unappropriated retained earnings) during the nine months ended September 30, 2024 and 2023, respectively.

C. Refer to Note 6(21) for information on changes in fair value recognised in other comprehensive income for the nine months ended September 30, 2024 and 2023.

D. The Group has no financial assets measured at fair value through other comprehensive income pledged to others as of September 30, 2024, December 31, 2023 and September 30, 2023.

(4) Notes and accounts receivable

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Notes receivable	\$ 2,086,412	\$ 3,730,509	\$ 4,054,628
Accounts receivable	158,775,651	108,078,551	98,131,115
Less: Allowance for uncollectible accounts	(233,513)	(172,410)	(169,738)
Notes and accounts receivable, net	<u>160,628,550</u>	<u>111,636,650</u>	<u>102,016,005</u>
Overdue receivables	439,788	564,514	575,269
Less: Allowance for uncollectible accounts	(439,788)	(564,514)	(575,269)
	<u>\$ 160,628,550</u>	<u>\$ 111,636,650</u>	<u>\$ 102,016,005</u>

A. As of September 30, 2024, December 31, 2023 and September 30, 2023, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2023, the balance of accounts receivable and notes receivable amounted to \$85,292,995.

B. Transferred financial assets that are derecognised in their entirety

(a) As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group had outstanding discounted notes receivable amounting to \$3,554,978, \$2,392,015 and \$2,388,670, respectively. However, as the notes receivable are bank's acceptance bills and are discounted without right of recourse, those discounted notes receivable were deducted directly from notes receivable.

- (b) The Group entered into factoring agreements with domestic financial institutions to sell its accounts receivable. Under the agreement, the Group is not obligated to bear the default risk of the transferred accounts receivable but is liable for the losses incurred on any business dispute. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, the Group derecognised the transferred accounts receivable, and the related information is as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Accounts receivable transferred			
(Amount derecognised)	<u>\$ 26,854,256</u>	<u>\$ 12,529,507</u>	<u>\$ 33,212,833</u>
Amount advanced	<u>\$ 25,154,023</u>	<u>\$ 9,818,349</u>	<u>\$ 32,318,873</u>
Amount retained (shown as 'other receivables')	<u>\$ 1,700,233</u>	<u>\$ 2,711,158</u>	<u>\$ 893,960</u>

- (c) The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- C. Transferred financial assets that are not derecognised in their entirety
- (a) The Group entered into factoring agreements with domestic financial institutions to sell its accounts receivable. Under the agreement, the Group can transfer non-L/C accounts receivable financing to financial institutions, and the banks have the right of recourse to the transferred accounts receivable. For accounts receivable that will not be recovered in the specific period, the Group will retain risk and returns of such accounts receivable. Accordingly, the Group did not derecognise the accounts receivable where the banks have the right of recourse, and related advance payments were listed in 'short-term borrowings.'
- (b) On September 30, 2024, December 31, 2023 and September 30, 2023, the Group has no accounts receivable for sales and advance payments.
- D. As of September 30, 2024, December 31, 2023 and September 30, 2023, the interest rates for amounts advanced ranged between 5.05%~6.42%, 1.60%~6.66% and 1.57%~6.734%, respectively.
- E. As of September 30, 2024, December 31, 2023 and September 30, 2023, the total limits of the accounts receivable factoring were \$137,410,228, \$115,340,462 and \$119,036,144, respectively.
- F. As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group has issued a promissory note of \$192,234,193, \$185,399,231 and \$193,906,368, respectively, as performance guarantee against any business dispute.
- G. Refer to Note 6(27) for information on financing charges on accounts receivable factoring for the three months and nine months ended September 30, 2024 and 2023.

- H. As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group's accounts receivable that are expected to be factored were classified as financial assets at fair value through other comprehensive income in the amounts of \$60,009,052, \$67,187,035 and \$49,567,809, respectively, and recorded as 'accounts receivable.'
- I. The Group took out a credit insurance on the accounts receivable from certain main customers, whereby 80%~90% of the receivable amount can be covered when the receivables are uncollectible. As at September 30, 2024, December 31, 2023 and September 30, 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was the carrying amount of the notes and accounts receivable.
- J. The Group has no accounts receivable pledged to others.
- K. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Other receivables

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
VAT refund receivable	\$ 4,049,664	\$ 2,653,616	\$ 331,645
Amounts retained for accounts receivable factoring	1,700,233	2,711,158	893,960
Input tax	749,605	27,054	328,062
Customs duties refund receivable	405,807	-	-
Others	<u>276,372</u>	<u>159,129</u>	<u>262,600</u>
	<u>\$ 7,181,681</u>	<u>\$ 5,550,957</u>	<u>\$ 1,816,267</u>

(6) Inventories

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Merchandise inventory	\$ 145,041,579	\$ 97,263,203	\$ 95,077,057
Less: Allowance for inventory obsolescence and market value decline	(<u>2,264,992</u>)	(<u>1,547,706</u>)	(<u>1,478,382</u>)
	<u>\$ 142,776,587</u>	<u>\$ 95,715,497</u>	<u>\$ 93,598,675</u>

The cost recognised as expense for the period:

	Three months ended September 30,	
	2024	2023
Cost of inventories sold	\$ 250,144,580	\$ 162,039,575
Services cost	149,884	139,949
Loss on decline in market value	5,992	18,994
Loss on disposal of inventory	-	12
	<u>\$ 250,300,456</u>	<u>\$ 162,198,530</u>
	Nine months ended September 30,	
	2024	2023
Cost of inventories sold	\$ 670,348,087	\$ 391,101,369
Services cost	301,095	299,024
Loss on decline in market value	87,016	11,928
Loss on disposal of inventory	119	431
	<u>\$ 670,736,317</u>	<u>\$ 391,412,752</u>

(7) Investments accounted for using equity method

	2024	2023
At January 1	\$ 44,539	\$ 62,955
Changes in capital surplus	5,549	-
Share of loss of investments accounted for using equity method	(22,413)	(14,437)
Changes in other equity items	<u>2,393</u>	<u>2,213</u>
At September 30	<u>\$ 30,068</u>	<u>\$ 50,731</u>

A. JCD OPTICAL (CAYMAN)., LTD. increased its capital amounting to \$51,200 in February 2024.

The Group did not acquire shares proportionally to its interest. As a result, the shareholder ratio changed to 16.94% and capital surplus increased by \$5,549.

B. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

	<u>Three months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Loss for the period from continuing operations	(\$ 9,047)	(\$ 9,582)
Other comprehensive income (loss), net of tax	149	(66)
Total comprehensive loss	<u>(\$ 8,898)</u>	<u>(\$ 9,648)</u>
	<u>Nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Loss for the period from continuing operations	(\$ 22,413)	(\$ 14,437)
Other comprehensive income (loss), net of tax	793	(342)
Total comprehensive loss	<u>(\$ 21,620)</u>	<u>(\$ 14,779)</u>

(8) Property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Office equipment</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2024</u>					
Cost	\$ 163,048	\$ 840,435	\$ 777,534	\$ 764,443	\$ 2,545,460
Accumulated depreciation and impairment	-	(134,188)	(567,587)	(581,155)	(1,282,930)
	<u>\$ 163,048</u>	<u>\$ 706,247</u>	<u>\$ 209,947</u>	<u>\$ 183,288</u>	<u>\$ 1,262,530</u>
<u>2024</u>					
Opening net book amount	\$ 163,048	\$ 706,247	\$ 209,947	\$ 183,288	\$ 1,262,530
Acquired from business combinations	284,878	1,179,486	433,841	225,971	2,124,176
Additions	1,382	-	127,068	57,997	186,447
Disposals	-	-	(4,385)	(16,414)	(20,799)
Reclassifications	-	(38,169)	(1,926)	(63,448)	(103,543)
Depreciation charge	-	(42,325)	(144,131)	(72,032)	(258,488)
Net exchange differences	25,385	1,291	2,144	8,161	36,981
Closing net book amount	<u>\$ 474,693</u>	<u>\$ 1,806,530</u>	<u>\$ 622,558</u>	<u>\$ 323,523</u>	<u>\$ 3,227,304</u>
<u>At September 30, 2024</u>					
Cost	\$ 474,693	\$ 2,498,788	\$ 5,850,599	\$ 1,849,388	\$ 10,673,468
Accumulated depreciation and impairment	-	(692,258)	(5,228,041)	(1,525,865)	(7,446,164)
	<u>\$ 474,693</u>	<u>\$ 1,806,530</u>	<u>\$ 622,558</u>	<u>\$ 323,523</u>	<u>\$ 3,227,304</u>

	<u>Land</u>	<u>Buildings</u>	<u>Office equipment</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2023</u>					
Cost	\$ 163,048	\$ 588,709	\$ 685,819	\$ 743,025	\$ 2,180,601
Accumulated depreciation and impairment	<u>-</u>	<u>(119,154)</u>	<u>(561,409)</u>	<u>(525,967)</u>	<u>(1,206,530)</u>
	<u>\$ 163,048</u>	<u>\$ 469,555</u>	<u>\$ 124,410</u>	<u>\$ 217,058</u>	<u>\$ 974,071</u>
<u>2023</u>					
Opening net book amount	\$ 163,048	\$ 469,555	\$ 124,410	\$ 217,058	\$ 974,071
Acquired from business combinations	-	-	1,431	5,160	6,591
Additions	-	285,946	103,519	27,723	417,188
Disposals	-	-	(256)	(57)	(313)
Reclassifications	-	-	17,595	(17,595)	-
Depreciation charge	-	(11,624)	(44,617)	(54,471)	(110,712)
Net exchange differences	-	(20,347)	13,318	7,194	165
Closing net book amount	<u>\$ 163,048</u>	<u>\$ 723,530</u>	<u>\$ 215,400</u>	<u>\$ 185,012</u>	<u>\$ 1,286,990</u>
<u>At September 30, 2023</u>					
Cost	\$ 163,048	\$ 854,323	\$ 825,289	\$ 776,459	\$ 2,619,119
Accumulated depreciation and impairment	<u>-</u>	<u>(130,793)</u>	<u>(609,889)</u>	<u>(591,447)</u>	<u>(1,332,129)</u>
	<u>\$ 163,048</u>	<u>\$ 723,530</u>	<u>\$ 215,400</u>	<u>\$ 185,012</u>	<u>\$ 1,286,990</u>

A. Office and other equipment at September 30, 2024 and 2023 were for the Group's own use and not for lease.

B. Regarding the property, plant and equipment arising from the Group's business combination for the nine months ended September 30, 2023 and 2022, refer to Note 6(32) for details.

(9) Leasing arrangements - lessee

A. The Group leases various assets including land, office and warehouse. Except for right-of-use of land for periods of 20 to 50 years, the rental contracts are typically made for periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of twelve months or less comprise certain offices, business vehicles, parking space and printers.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 361,874	\$ 352,269	\$ 361,283
Buildings and structures	<u>1,890,675</u>	<u>677,984</u>	<u>672,847</u>
	<u>\$ 2,252,549</u>	<u>\$ 1,030,253</u>	<u>\$ 1,034,130</u>

	Three months ended September 30,	
	2024	2023
	Depreciation charge	Depreciation charge
Land	\$ 1,984	\$ 1,926
Buildings and structures	201,194	71,170
	<u>\$ 203,178</u>	<u>\$ 73,096</u>
	Nine months ended September 30,	
	2024	2023
	Depreciation charge	Depreciation charge
Land	\$ 5,876	\$ 5,165
Buildings and structures	467,027	213,661
	<u>\$ 472,903</u>	<u>\$ 218,826</u>

D. For the three months and nine months ended September 30, 2024 and 2023, the additions to right-of-use assets (including the amounts acquired through business combinations) were \$176,986, \$108,411, \$367,181 and \$339,702, respectively. Regarding the ROU arising from the Group's business combination for the nine months ended September 30, 2024, refer to Note 6(32) for details.

E. The information on income or expense accounts relating to lease contracts is as follows:

	Three months ended September 30,	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 19,268	\$ 8,049
Expense on short-term lease contracts	71,771	40,979
	Nine months ended September 30,	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 46,393	\$ 20,952
Expense on short-term lease contracts	195,502	106,938

F. For the three months and nine months ended September 30, 2024 and 2023, the Group's total cash outflow for leases were \$289,156, \$119,213, \$716,548 and \$348,473, respectively.

(10) Investment property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>At January 1, 2024</u>			
Cost	\$ 147,148	\$ 106,068	\$ 253,216
Accumulated depreciation and impairment	(1,897)	(61,001)	(62,898)
	<u>\$ 145,251</u>	<u>\$ 45,067</u>	<u>\$ 190,318</u>
<u>2024</u>			
Opening net book amount	\$ 145,251	\$ 45,067	\$ 190,318
Depreciation charge	-	(2,527)	(2,527)
Closing net book amount	<u>\$ 145,251</u>	<u>\$ 42,540</u>	<u>\$ 187,791</u>
<u>At September 30, 2024</u>			
Cost	\$ 147,148	\$ 106,068	\$ 253,216
Accumulated depreciation and impairment	(1,897)	(63,528)	(65,425)
	<u>\$ 145,251</u>	<u>\$ 42,540</u>	<u>\$ 187,791</u>
	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>At January 1, 2023</u>			
Cost	\$ 147,148	\$ 106,068	\$ 253,216
Accumulated depreciation and impairment	(1,897)	(57,633)	(59,530)
	<u>\$ 145,251</u>	<u>\$ 48,435</u>	<u>\$ 193,686</u>
<u>2023</u>			
Opening net book amount	\$ 145,251	\$ 48,435	\$ 193,686
Depreciation charge	-	(2,526)	(2,526)
Closing net book amount	<u>\$ 145,251</u>	<u>\$ 45,909</u>	<u>\$ 191,160</u>
<u>At September 30, 2023</u>			
Cost	\$ 147,148	\$ 106,068	\$ 253,216
Accumulated depreciation and impairment	(1,897)	(60,159)	(62,056)
	<u>\$ 145,251</u>	<u>\$ 45,909</u>	<u>\$ 191,160</u>

A. Rental income from the lease of the investment property and direct operating expenses arising from the investment property are shown below:

	Three months ended September 30,	
	2024	2023
Rental income from the lease of the investment property	\$ 6,949	\$ 6,751
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 842	\$ 842
	Nine months ended September 30,	
	2024	2023
Rental income from the lease of the investment property	\$ 20,571	\$ 19,871
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 2,527	\$ 2,526

B. The fair values of the investment property held by the Group as at September 30, 2024, December 31, 2023 and September 30, 2023 were \$746,860, \$732,243 and \$755,363, respectively, which were based on the valuation of market prices estimated using comparison approach and is categorised within Level 3 in the fair value hierarchy.

(11) Intangible assets

	<u>Goodwill</u>	<u>Software</u>	<u>Customer relationship</u>	<u>Total</u>
<u>At January 1, 2024</u>				
Cost	\$ 3,008,793	\$ 173,941	\$ 692,869	\$ 3,875,603
Accumulated amortisation and impairment	(228,202)	(142,996)	(164,770)	(535,968)
	<u>\$ 2,780,591</u>	<u>\$ 30,945</u>	<u>\$ 528,099</u>	<u>\$ 3,339,635</u>
<u>2024</u>				
Opening net book amount	\$ 2,780,591	\$ 30,945	\$ 528,099	\$ 3,339,635
Acquired from business combinations	26,599,048	-	8,073,255	34,672,303
Additions	-	38,049	-	38,049
Disposal	-	104,406	-	104,406
Amortisation charge (shown as 'general and administrative expenses')	-	(24,442)	(225,248)	(249,690)
Net exchange differences	(161,626)	(1,509)	(66,687)	(229,822)
Closing net book amount	<u>\$ 29,218,013</u>	<u>\$ 147,449</u>	<u>\$ 8,309,419</u>	<u>\$ 37,674,881</u>
<u>At September 30, 2024</u>				
Cost	\$ 29,446,221	\$ 1,452,574	\$ 8,695,649	\$ 39,594,444
Accumulated amortisation and impairment	(228,208)	(1,305,125)	(386,230)	(1,919,563)
	<u>\$ 29,218,013</u>	<u>\$ 147,449</u>	<u>\$ 8,309,419</u>	<u>\$ 37,674,881</u>
	<u>Goodwill</u>	<u>Software</u>	<u>Customer relationship</u>	<u>Total</u>
<u>At January 1, 2023</u>				
Cost	\$ 3,008,857	\$ 151,583	\$ 640,149	\$ 3,800,589
Accumulated amortisation and impairment	(227,968)	(130,443)	(70,666)	(429,077)
	<u>\$ 2,780,889</u>	<u>\$ 21,140</u>	<u>\$ 569,483</u>	<u>\$ 3,371,512</u>
<u>2023</u>				
Opening net book amount	\$ 2,780,889	\$ 21,140	\$ 569,483	\$ 3,371,512
Additions	-	24,066	-	24,066
Acquired from business combinations	-	-	50,868	50,868
Amortisation charge (shown as 'general and administrative expenses')	-	(10,780)	(68,174)	(78,954)
Net exchange differences	92,922	202	23,392	116,516
Closing net book amount	<u>\$ 2,873,811</u>	<u>\$ 34,628</u>	<u>\$ 575,569</u>	<u>\$ 3,484,008</u>
<u>At September 30, 2023</u>				
Cost	\$ 3,102,077	\$ 176,786	\$ 717,375	\$ 3,996,238
Accumulated amortisation and impairment	(228,266)	(142,158)	(141,806)	(512,230)
	<u>\$ 2,873,811</u>	<u>\$ 34,628</u>	<u>\$ 575,569</u>	<u>\$ 3,484,008</u>

A. Goodwill is allocated to the Group's cash-generating units identified according to operating segment as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Canada	\$ 26,378,750	\$ -	\$ -
Greater China Region	1,194,562	1,187,384	1,198,788
All other segments	<u>1,644,701</u>	<u>1,593,207</u>	<u>1,675,023</u>
	<u>\$ 29,218,013</u>	<u>\$ 2,780,591</u>	<u>\$ 2,873,811</u>

B. As of September 30, 2024, estimated goodwill arising from business combination with FUTURE ELECTRONICS INC. amounted to \$26,599,048. Refer to Note 6(32) for the information on business combination.

C. Goodwill of Greater China Region and all other segments is allocated to the Group's cash-generating units identified according to operating segment. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period.

The future cash flows were estimated based on the annual revenue, gross profit and other operating expenses in the future. Management determined budgeted gross profit based on past performance and their expectations of market development. The Group's accrued average annual revenue growth rate for the nine months ended September 30, 2024 and 2023 was both 0%~5%; the assumption used for discount rate is the weighted average capital cost of the Group. As of September 30, 2024, December 31, 2023 and September 30, 2023, the key valuations used for pre-tax discount rate to reflect risk of related cash-generating units were 5.73%~9.23%, 5.71%~9.18% and 7.01%~9.99%, respectively. Based on the aforementioned assessment, no impairment loss on goodwill was recognised for the nine months ended September 30, 2024 and 2023.

D. There were no intangible assets that were pledged to others.

(12) Short-term borrowings

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Credit loans	<u>\$ 33,349,295</u>	<u>\$ 19,821,848</u>	<u>\$ 25,045,904</u>
Interest rates per annum	<u>1.84%~6.04%</u>	<u>1.70%~6.424%</u>	<u>1.65%~6.43%</u>

(13) Short-term notes and bills payable

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Commercial paper	\$ 900,000	\$ 350,000	\$ 350,000
Amortisation of discount	(246)	(152)	(211)
	<u>\$ 899,754</u>	<u>\$ 349,848</u>	<u>\$ 349,789</u>
Coupon rate	<u>1.60%~1.76%</u>	<u>1.35%~1.40%</u>	<u>1.37%~1.66%</u>

The notes and bills were issued under securities and acceptance offered by the financial institutions to fund short-term capital. The issuance period is within 90 days.

(14) Other payables

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Accrued VAT payable	\$ 3,980,284	\$ 2,430,469	\$ 1,191,251
Salaries and bonuses payable	3,416,708	1,441,687	1,260,229
Insurance expense payable	277,603	117,707	108,926
Services payable	202,757	858,100	483,855
Freight payable	201,802	141,041	144,250
Finance costs payable	94,941	150,998	215,881
Technical service fees payable	32,214	86,263	98,012
Others	1,559,896	754,174	557,983
	<u>\$ 9,766,205</u>	<u>\$ 5,980,439</u>	<u>\$ 4,060,387</u>

(15) Long-term loans

<u>Type of loans</u>	<u>Period</u>	<u>September 30, 2024</u>		
		<u>Credit line</u>	<u>Interest rate</u>	<u>Amount</u>
Mid-term syndicated loans (note B)	2024.3.27 ~2029.3.27	\$ 30,000,000	2.7205%	\$ 24,814,000
Mid-term syndicated loans (note B)	2024.3.27 ~2029.3.27	30,000,000	2.7205%	24,814,000
Mid-term syndicated loans (note A)	2022.6.27 ~2027.6.27	24,000,000	2.2598%	10,000,000
Mid-term syndicated loans (note A)	2021.7.29 ~2026.7.29	12,000,000	2.2598%	5,000,000
Mid-term syndicated loans (note C)	2023.8.25 ~2028.8.25	20,000,000	2.2211%	19,440,000
Mid-term borrowings (Export-Import Bank of the Republic of China)	2023.4.24 ~2028.4.24	400,000	2.0230%	400,000
Mid-term borrowings (United Overseas Bank)	2020.4.28 ~2025.4.27	98,720	2%	14,896
Mid-term borrowings (United Overseas Bank)	2021.3.17 ~2026.3.16	123,400	2%	47,443
Mid-term borrowings (DBS Bank Ltd.)	2020.6.24 ~2025.6.23	24,680	2%	4,779
Mid-term borrowings (United Overseas Bank)	2021.4.5 ~2026.4.4	123,400	2%	50,035
				84,585,153
Less: Long-term loans, current portion				(82,556)
				<u>\$ 84,502,597</u>

		December 31, 2023		
Type of loans	Period	Credit line	Interest rate	Amount
Mid-term syndicated loans (note A)	2021.7.29 ~2026.7.29	\$ 12,000,000	2.093% ~6.7865%	\$ 7,655,750
Mid-term syndicated loans (note A)	2022.6.27 ~2027.6.27	24,000,000	2.0930%	4,500,000
Mid-term borrowings (Export-Import Bank of the Republic of China)	2023.4.24 ~2028.4.24	400,000	2.023%	400,000
Mid-term borrowings (United Overseas Bank)	2020.4.28 ~2025.4.27	93,160	2%	31,943
Mid-term borrowings (United Overseas Bank)	2020.5.27 ~2025.5.26	116,450	2%	66,777
Mid-term borrowings (DBS Bank Ltd.)	2020.6.24 ~2025.6.23	23,290	2%	8,969
Mid-term borrowings (United Overseas Bank)	2021.4.5 ~2026.4.4	116,450	2%	69,185
				12,732,624
Less: Long-term loans, current portion				(88,382)
				<u>\$ 12,644,242</u>

		September 30, 2023		
Type of loans	Period	Credit line	Interest rate	Amount
Mid-term syndicated loans (note A)	2022.6.27 ~2027.6.27	\$ 24,000,000	2.0930%	\$ 4,500,000
Mid-term borrowings (Export-Import Bank of the Republic of China)	2023.4.24 ~2028.4.24	400,000	2.0216%	400,000
Mid-term borrowings (United Overseas Bank)	2020.4.28 ~2025.4.27	94,120	2%	14,195
Mid-term borrowings (United Overseas Bank)	2020.5.27 ~2025.5.26	117,650	2%	45,219
Mid-term borrowings (DBS Bank Ltd.)	2020.6.24 ~2025.6.23	23,530	2%	4,555
Mid-term borrowings (United Overseas Bank)	2021.4.5 ~2026.4.4	117,650	2%	47,683
Mid-term borrowings (Woori Bank)	2021.9.30 ~2024.9.20	2,144	3.88%	748
Mid-term borrowings (Woori Bank)	2022.1.12 ~2025.1.20	834	4.1%	386
				5,012,786
Less: Long-term loans, current portion				(748)
				<u>\$ 5,012,038</u>

- A. As stipulated in the syndicated loan agreement:
- (a) Credit period: 5 years after the date of first drawdown of any credit line.
 - (b) Drawdown period: The day before 5 years after the date of first drawdown. However, maturity date of each borrowing shall not exceed the credit period. The borrower may apply for re-utilisation within the credit period 5 years after the date of first drawdown according to the capital situation. However, each drawdown must be fully repaid before the expiry of the credit period.
 - (c) Financial commitment: The borrower's consolidated financial statements shall maintain the following financial ratios and regulations:
 - i. Liquidity ratio: Shall be at least 100%.
 - ii. Net debt ratio: Shall be no more than 250%.
 - iii. Interest coverage ratio shall be at least 200%.

The abovementioned financial ratios are reviewed semi-annually.

- B. On January 31, 2024, the Group's Board of Directors resolved to sign a syndicated loan agreement with a financial institution amounting to NT\$60 billion to support the acquisition of 100% equity interest in FUTURE ELECTRONICS INC. As stipulated in the syndicated loan agreement:

- (a) Credit item and facility: The total credit facility is NT\$60 billion.
- (b) Credit period: 5 years after the date of first drawdown.
- (c) Drawdown period: 5 years after the date of first drawdown. Maturity date of each borrowing shall not exceed the credit period.
- (d) Financial commitments:
 - i. The borrower's consolidated financial statements shall maintain the following financial ratios and regulations:
 - (i) Liquidity ratio: Shall be at least 100%.
 - (ii) Net debt ratio: Shall not be higher than 500% starting from the year ending December 31, 2024 and shall not be adjusted higher than 400% starting from the year ending December 31, 2026.
 - (iii) Interest coverage ratio shall be at least 200%.

The abovementioned financial ratios are reviewed semi-annually.

- ii. The financial statements of FUTURE ELECTRONICS INC. shall maintain the following financial ratios and regulations, which shall be applicable from the report for the year beginning January 1, 2024:

- (i) Liquidity ratio: Shall be at least 100%.
- (ii) Debt ratio: Shall not be more than 100%.
- (iii) Interest coverage ratio shall be at least 200%.
- (iv) Net assets shall be at least US\$2.4 billion.

The abovementioned financial ratios are reviewed annually.

C. On August 2, 2023, the Group's Board of Directors resolved to sign a syndicated loan agreement with a financial institution amounting to NT\$20 billion. As stipulated in the syndicated loan agreement:

- (a) Credit period: 5 years after the date of first drawdown.
- (b) Drawdown period: The day before 5 years after the date of first drawdown. However, maturity date of each borrowing shall not exceed the credit period of each drawdown. The borrower may apply for re-utilisation from the date of first drawdown for 5 years according to the capital situation. However, each drawdown must be fully repaid before the expiry of the credit period.
- (c) Financial commitments: The borrower's consolidated financial statements shall maintain the following financial ratios and regulations:
 - (i) Liquidity ratio: Shall be at least 100%.
 - (ii) Net debt ratio: Shall be no more than 280%.
 - (iii) Interest coverage ratio shall be at least 200%.

The abovementioned financial ratios are reviewed semi-annually.

D. The Group's financial ratios in the consolidated financial statements for the period ended September 30, 2024 has met the required covenants under the abovementioned borrowing contract.

E. The Group's liquidity risk is provided in Note 12.

(16) Pensions

A. Defined benefit pension plan

- (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Group would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Group will make contributions for the deficit by next March.

- (b) For the aforementioned pension plan, the Group recognised pension costs of \$294, \$618, \$1,055 and \$1,777 for the three months and nine months ended September 30, 2024 and 2023, respectively.
 - (c) Expected contributions to the defined benefit pension plan of the Group for the year ending December 31, 2025 amount to \$4,337.
- B. Defined contribution pension plan
- (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
 - (b) The Company’s subsidiaries in Mainland China have a defined contribution plan in accordance with the pension regulations in the People’s Republic of China (PRC). These companies contribute monthly an amount based on 14%~16% of the employees’ monthly salaries based on the employees’ domiciles to their independent funds administered by the government. For the subsidiaries in Hong Kong, these companies and its employees each contribute monthly an amount equal to 5% of the employees’ monthly salaries pursuant to the legislation in Hong Kong. Each fund is managed by the government. Except for the monthly contribution, these companies have no other obligation.
 - (c) The pension costs under the defined contribution pension plans of the Group for the three months and nine months ended September 30, 2024 and 2023 were \$152,838, \$81,151, \$375,510 and \$247,180, respectively.

(17) Share-based payment

A. For the nine months ended September 30, 2024 and 2023, the Group's share-based payment arrangements are as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Vesting conditions</u>
Restricted stocks to employees	2021.1.13	2,992 thousand shares	(a) and (b)
Employee stock options	2021.3.18	12,000 thousand shares	(c)
Restricted stocks to employees	2021.7.28	2,788 thousand shares	(a) and (b)
Employee stock options	2022.1.6	18,854 thousand shares	(c)
Cash capital increase by issuing common stock reserved for employee preemption	2023.11.15 ~2023.11.17	6,511 thousand shares	Vested immediately

- (a) The vesting percentage for the employee who has rendered service to the Company since the grant date and achieves the performance condition is 25% each year.
- (b) The issued employee restricted shares before meeting the vesting conditions are subject to certain restrictions as follows:
- Employee restricted shares cannot be sold, pledged, transferred, donated to others, set purposes or disposed in any other ways, except for inheritance.
 - The rights to attend, propose, speak and vote at the shareholders meeting are the same as the issued common stock of the Company and are implemented in accordance with the trust custody contract.
 - Other rights including but not limited to dividends, distribution rights of legal reserve and capital surplus and share options of cash capital increase, etc. are the same as the Company's issued common stock, do not need to be kept in trust and are not restricted by the vesting period. Employees are required to return the unvested stocks but not required to return the dividends received if they resign during the vesting period.
- (c) Employees can exercise 50%, 25% and 25% of their option after 2 years, 3 years and 4 years from the grant date of employee stock options, respectively.

B. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility (%)	Expected option life (years)	Expected dividends	Risk-free interest rate (%)	Fair value per unit (in dollars)
Restricted stocks to employees	2021.1.13	\$ 42.05	\$ -	-	4	-	-	\$ 42.05
Employee stock options	2021.3.18	\$ 46.80	\$ 46.80	18.44~ 18.46	4~5	-	0.31~ 0.34	\$ 7.0985~ \$ 8.1307
Restricted stocks to employees	2021.7.28	\$ 61.20	\$ -	-	4	-	-	\$ 58.0011
Employee stock options	2022.1.6	\$ 75.40	\$ 75.40	21.06~ 22.66	3.5~4.5	-	0.55~ 0.62	\$ 13.2673~ \$ 14.2005
Cash capital increase by issuing common stock reserved for employee preemption	2023.11.15 ~2023.11.17	\$ 114.00~ \$ 124.50	\$ 95.00	-	-	-	-	\$ 19.00~ \$ 29.50

C. Details of the stock options for the nine months ended September 30, 2024 and 2023 are disclosed as follows:

	2024		
	No. of options (in thousands)	Weighted-average exercise price (in dollars)	Weighted-average remaining contractual period
Options outstanding at January 1	24,927	\$ 57.77	
Options exercised	(8,525)	56.53	
Options forfeited	(216)	61.00	
Options outstanding at September 30	<u>16,186</u>	54.81	2.46 years
Options exercisable at September 30	<u>4,522</u>		

	2023		
	No. of options (in thousands)	Weighted-average exercise price (in dollars)	Weighted-average remaining contractual period
Options outstanding at January 1	30,148	\$ 58.58	
Options exercised	(3,896)	40.77	
Options forfeited	(505)	62.22	
Options outstanding at September 30	<u>25,747</u>	57.30	3.33 years
Options exercisable at September 30	<u>1,949</u>		

D. The weighted-average stock price of stock options were \$145.05 and \$69.67 (in dollars) for the nine months ended September 30, 2024 and 2023, respectively.

E. Details of the employee restricted shares for the nine months ended September 30, 2024 and 2023 are disclosed as follows:

	2024	2023
	No. of shares (in thousands)	No. of shares (in thousands)
Shares outstanding at January 1	2,638	4,090
Shares redeemed at beginning of period but not yet forfeited	14	29
Shares vested	(1,298)	(1,342)
Shares forfeited	(58)	(64)
Shares redeemed, not yet forfeited	(6)	(61)
Shares outstanding at September 30	<u>1,290</u>	<u>2,652</u>

F. Compensation cost of share-based payment of \$14,389, \$37,570, \$48,218 and \$121,725 were recognised for the three months and nine months ended September 30, 2024 and 2023, respectively.

(18) Share capital

As of September 30, 2024, the Company's authorised capital was \$20,000,000, including partial preferred stocks, consisting of 2 billion shares (including 300 million shares reserved for employee stock options), and the paid-in capital was \$12,511,104 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Common stock

A. Movements in the number of the Company's common stock (including certificate of entitlement to new shares from convertible bonds) outstanding are as follows:

	<u>2024</u>	<u>2023</u>
	<u>Shares (in thousands)</u>	<u>Shares (in thousands)</u>
At January 1	887,955	883,530
Capital injection	220,000	-
Employee stock options exercised	8,525	3,896
Cancellation of employee restricted shares	(58)	(64)
At September 30	<u>1,116,422</u>	<u>887,362</u>

- B. For the nine months ended September 30, 2024 and 2023, employees of the Company exercised employee stock options, which had been converted into 8,525 thousand and 3,896 thousand common stocks, respectively. There are still 313 thousand and 565 thousand common stocks that were recorded under ‘certificate of entitlement to new shares from convertible bonds’ because the change in registration has not yet been completed as of September 30, 2024 and 2023, respectively.
- C. For the nine months ended September 30, 2024 and 2023, the Company has retrieved 58 thousand and 64 thousand of employee restricted shares, respectively, for not satisfying vesting conditions, and the Company cancelled and retired the shares in accordance with the regulations.
- D. On September 28, 2023, the Board of Directors resolved to increase the Company’s capital by issuing 135 million new shares with a par value of \$10 (in dollars) per share issued at NT\$95 (in dollars) per share. The Company received \$7,396,604 for the three months ended March 31, 2024 and \$5,423,396 for the year ended December 31, 2023, respectively, from the issuance of shares. The effective date of the capital increase was set on January 9, 2024 and the registration has been completed.

Global depositary receipts

- A. On February 29, 2024, the Company’s Board of Directors resolved to increase capital by issuing common stock to participate in the issuance of the global depositary receipts to support the capital requirement for the purchases of materials in foreign currency. The capital increase was approved by the Financial Supervisory Committee on March 26, 2024 and 17,000 thousand units of global depositary receipts were issued at the Luxembourg Stock Exchange on April 12, 2024 at a price of US\$20.08 (in dollars) per unit. The global depositary receipts represented 85,000 thousand shares of the Company’s common stock. The amount after deducting issuance cost was US\$337,497 thousand (NT\$10,850,853 thousand). Each unit of the global depositary receipts represents 5 shares of the Company’s common stocks.

Preferred stock

On July 2, 2020, the Board of Directors resolved to increase the Company’s capital in the amount of \$6,750,000 by issuing 135 million shares of Class A preferred stocks with a par value of \$10 (in dollars) per share issued at \$50 (in dollars) per share. The capital injection was approved by the Financial Supervisory Commission on July 29, 2020, and the effective date was set on October 15, 2020. The rights and obligations of these outstanding preferred stocks are as follows:

- A. Expiration date: The Company's Class A preferred stocks are perpetual. The shareholders of Class A preferred stocks cannot request the Company to retire the preferred stocks they hold but all or certain parts are callable at any time from the next day of five years after issuance at the actual issue price. The outstanding Class A preferred stocks sustained all the rights and obligations specified in the issuance terms. Dividends payable as of the redemption date shall be calculated based on the actual outstanding days if the Board of Directors resolved to distribute the current year's dividends.
- B. Dividends: Dividends are calculated at 4% per annum, consisting of five-year IRS rate of 0.6125% on pricing effective date (August 17, 2020) and specific markup of 3.3875%, based on the issue price per share. The five-year IRS rate will be reset on the next business day of five years since issuance and every subsequent five years and the pricing effective date for rate reset is two business days in Taipei financial industry prior to the IRS rate reset date. The rate index, five-year IRS rate, is the arithmetic mean of five-year IRS rates appearing on Refinitiv pages "PYTWDFIX" and "COSMOS3" at 11:00 a.m. (Taipei time) on the relevant pricing effective date of rate reset. If such rate cannot be obtained, the Company will determine the rate based on the reasonable market price with good faith.
- C. Dividend distribution: Dividends of Class A preferred stocks are distributed once per year in the form of cash. The effective date for distributing previous year's distributable dividends will be set by the Board of Directors or the chairman who is authorized by the Board of Directors. Dividend distributions in the years of issuance and redemption are calculated based on the actual outstanding days. The current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating deficit and then set aside as legal reserve. Special reserve shall be set aside or reversed as required by regulations or the Competent Authority when necessary. The remainder, if any in the current year, can be distributed as dividends of preferred stocks in first priority. The Company has discretion in dividend distribution of Class A preferred stocks. The Company could choose not to distribute dividends of preferred stocks when resolved by the Board of Directors, which would not lead to default if the Company has no or has insufficient current year's earnings for distribution or has other considerations. In addition, the amounts of undistributed dividends or insufficient distributed dividends will not be deferred to future years when the Company has earnings.
- D. Excess dividend distribution: Besides the aforementioned dividends, the shareholders of Class A preferred stocks could not participate in the distribution of cash and capitalised assets for common shares derived from earnings and capital surplus.
- E. Residual property distribution: The shareholders of Class A preferred stocks have priority over shareholders of common stocks in distributing the Company's residual properties and have the same priority with other preferred stockholders of the Company, but behind the general creditor. In addition, the limit is the amount calculated by shares of outstanding preferred stocks issued and the issue price when distributing.

- F. Right to vote and be elected: The shareholders of Class A preferred stocks have no right to vote and be elected as directors in the common stock holders' meeting of the Company but have the right to vote in the shareholders' meeting only when there are unfavourable matters to rights and obligations of shareholders of Class A preferred stocks.
- G. Conversion to common shares: Class A preferred stocks could not be converted to common shares.
- H. The preemptive rights for shareholders of Class A preferred stocks are the same as of common shareholders when the Company increases its capital by issuing new shares.
- I. Capital surplus arising from premium issuance of Class A preferred stocks can be used to offset against accumulated deficit but cannot be capitalised during the issuance period.

(19) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further to the above considerations, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient. Changes in capital surplus are as follows:

	2024				
	Share premium	Employee stock options	Restricted stocks to employees	Net change in equity of associates and subsidiaries	Total
At January 1	\$ 25,192,149	\$ 372,240	\$ 104,875	\$ 11,410	\$ 25,680,674
Capital injection	21,470,853	-	-	-	21,470,853
Vesting of employee restricted shares	51,538	-	(51,538)	-	-
Cancellation of employee restricted shares	-	-	578	-	578
Changes in ownership interests in subsidiaries	-	-	-	(1,830)	(1,830)
Changes in restricted stocks to employees	-	-	(2,948)	-	(2,948)
Employee stock options exercised	628,799	(232,091)	-	-	396,708
Compensation cost of share-based payments	-	31,321	-	-	31,321
Change in equity of associates accounted for using equity method	-	-	-	5,549	5,549
At September 30	<u>\$ 47,343,339</u>	<u>\$ 171,470</u>	<u>\$ 50,967</u>	<u>\$ 15,129</u>	<u>\$ 47,580,905</u>

	2023				
	Share premium	Employee stock options	Restricted stocks to employees	Net change in equity of associates and subsidiaries	Total
At January 1	\$ 24,968,223	\$ 154,122	\$ 160,354	\$ 11,410	\$ 25,294,109
Vesting of employee restricted shares	53,188	-	(53,188)	-	-
Cancellation of employee restricted shares	-	-	635	-	635
Changes in restricted stocks to employees	-	-	(3,531)	-	(3,531)
Employee stock options exercised	147,521	(27,655)	-	-	119,866
Compensation cost of share-based payments	-	84,311	-	-	84,311
At September 30	<u>\$ 25,168,932</u>	<u>\$ 210,778</u>	<u>\$ 104,270</u>	<u>\$ 11,410</u>	<u>\$ 25,495,390</u>

(20) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay taxes and offset accumulated losses; and set aside a legal reserve at 10% of such remaining earnings, until the accumulated legal reserve has equaled the total paid-in capital of the Company; then, set aside a special reserve in accordance with applicable laws or regulations of the competent authority. Residual earnings (distributable earnings in the current year) plus undistributed earnings at the beginning of the period is the accumulated retained earnings, which shall first be distributed as dividends to holders of Preferred Stocks, and distribution of such earnings shall be submitted by the Board of Directors to the shareholders' meeting for approval.
- B. In accordance with Article 240 of the Company Act, the Board of Directors is authorised, upon resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, to distribute dividends and bonus of all or part of the legal reserve and capital surplus in the form of cash based on the regulations specified in Article 241 of the Company Act which shall be reported to the shareholders during their meeting. Said distribution is not subject to the regulation which requires that the distribution shall be resolved by the shareholders during their meeting.

C. The Company's dividend policy is regulated by the Board of Directors taking into consideration the Company's operations, future investment plans, capital budget and internal/external situations. As the Company is in the growth stage, most of retained earnings will be used to support business development and investment requirements and consequently, the minimum cash dividend and extra dividend policy is adopted by the Company. The Company's dividend policy is summarised below:

At least 40% of the Company's earnings shall be appropriated as stock dividends and cash dividends, taking into account profits in the future and capital needs, and cash dividends shall account for at least 10% of the total dividends distributed. In the event the total earnings appropriation exceeds 30% of the Company's paid-in capital before appropriation, cash dividends shall account for at least 20% of the total dividends distributed.

D. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.

E. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

F. According to the resolutions adopted by the shareholders during their meetings in May 2024 and May 2023, the distribution information of the Company's 2023 and 2022 earnings, respectively, is as follows:

	Years ended December 31,			
	2023		2022	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 406,786		\$ 768,307	
Special reserve	(1,564,387)		1,564,387	
Dividends on preferred stock	270,000	\$ 2.000	270,000	\$ 2.000
Cash dividends of common stockholders	<u>2,008,438</u>	1.800	<u>3,812,065</u>	4.300
	<u>\$ 1,120,837</u>		<u>\$ 6,414,759</u>	

Information on the appropriation of the Company's earnings as approved by the shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(21) Other equity items

	Unrealised gains on valuation	Hedging reserve	Currency translation	Others	Total
At January 1, 2024	\$ 10,278,439	\$ -	\$ 363,363	(\$ 1,042,763)	\$ 9,599,039
Valuation adjustment on equity instruments:					
– Group	(1,041,020)	-	-	-	(1,041,020)
Disposals reclassified as retained earnings	(4,744,809)	-	-	-	(4,744,809)
Currency translation differences:					
– Group	-	-	351,830	-	351,830
– Associates	-	-	793	-	793
Changes in employee restricted shares	-	-	-	2,948	2,948
Changes in redemption liability recognised as other equity	-	-	-	72,795	72,795
Compensation cost of share-based payments	-	-	-	16,897	16,897
Net investment hedges	-	(1,165,532)	-	-	(1,165,532)
At September 30, 2024	<u>\$ 4,492,610</u>	<u>(\$ 1,165,532)</u>	<u>\$ 715,986</u>	<u>(\$ 950,123)</u>	<u>\$ 3,092,941</u>

	Unrealised (losses) gains on valuation	Currency translation	Others	Total
At January 1, 2023	(\$ 891,781)	\$ 673,456	(\$ 1,346,062)	(\$ 1,564,387)
Valuation adjustment on equity instruments:				
– Group	4,904,652	-	-	4,904,652
Disposals reclassified as retained earnings	(5,565)	-	-	(5,565)
Currency translation differences:				
– Group	-	2,925,467	-	2,925,467
– Associates	-	(342)	-	(342)
Changes in employee restricted shares	-	-	3,531	3,531
Changes in redemption liability recognised as other equity	-	-	67,132	67,132
Compensation cost of share-based payments	-	-	37,414	37,414
At September 30, 2023	<u>\$ 4,007,306</u>	<u>\$ 3,598,581</u>	<u>(\$ 1,237,985)</u>	<u>\$ 6,367,902</u>

(22) Non-controlling interests

	2024	2023
At January 1	\$ 836,869	\$ 868,976
Share attributable to non-controlling interest:		
Gain for the period	24,204	43,693
Increase (decrease) in non-controlling interests	4,168 (465)
Comprehensive income for the period:		
Exchange differences on translation of foreign financial statements	26,238	38,444
Unrealised loss from financial assets at fair value through other comprehensive income	(3,896) (89)
Disposal of financial assets at fair value through other comprehensive income reclassified to non-controlling interest	2,876	-
At September 30	<u>\$ 890,459</u>	<u>\$ 950,559</u>

During the nine months ended September 30, 2024 and 2023, the Company's subsidiary, BRILLNICS INC., increased its capital and employees of BRILLNICS INC. exercised employee stock options, which resulted to an increase (decrease) in the non-controlling interest. Refer to Note 4(3) for details.

(23) Operating revenue

	Three months ended September 30,	
	2024	2023
Contract revenue		
Sales of electronic components	\$ 261,041,862	\$ 167,020,860
Services revenue	209,510	198,904
Other operating revenue	4,440	40,037
	<u>\$ 261,255,812</u>	<u>\$ 167,259,801</u>
	Nine months ended September 30,	
	2024	2023
Contract revenue		
Sales of electronic components	\$ 696,901,473	\$ 404,120,076
Services revenue	603,558	579,211
Other operating revenue	49,262	123,519
	<u>\$ 697,554,293</u>	<u>\$ 404,822,806</u>

A. The Group derives revenue from the transfer of goods at a point in time and services over time in the following major products:

	Three months ended September 30,	
	2024	2023
Timing of revenue recognition		
At a point in time		
Application-Specific Integrated Circuit	\$ 64,859,778	\$ 28,270,730
Application-Specific Standard Product-Wireless Connectivity	50,323,105	49,781,407
Application-Specific Standard Product-Wired Connectivity	41,454,537	23,382,071
Analog	33,953,912	25,583,252
Microcomponents	16,147,864	11,379,534
Memory	10,796,782	10,058,412
Discrete	11,271,558	4,130,436
Application-Specific Standard Product-Others	8,070,212	7,678,438
Optoelectronics	6,593,865	3,029,333
Passive components	5,889,491	-
Others	11,685,198	3,767,284
Over time		
Services	209,510	198,904
	<u>\$ 261,255,812</u>	<u>\$ 167,259,801</u>
	Nine months ended September 30,	
	2024	2023
Timing of revenue recognition		
At a point in time		
Application-Specific Integrated Circuit	\$ 197,698,714	\$ 43,139,398
Application-Specific Standard Product-Wireless Connectivity	126,772,671	121,617,119
Application-Specific Standard Product-Wired Connectivity	108,103,129	64,388,509
Analog	86,231,451	68,201,278
Microcomponents	42,786,733	31,450,254
Memory	31,156,590	22,678,037
Discrete	27,716,832	11,767,346
Application-Specific Standard Product-Others	22,216,140	21,068,312
Optoelectronics	16,818,227	8,898,901
Passive components	12,106,840	-
Others	25,343,408	11,034,441
Over time		
Services	603,558	579,211
	<u>\$ 697,554,293</u>	<u>\$ 404,822,806</u>

In order to comply with the semiconductor industry, the Group disclosed revenue amount of major products by reference to semiconductor component classification of Gartner Inc. since 2023.

- B. The Group has recognised the following revenue-related contract liabilities provisions for estimated sales discounts:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>	<u>January 1, 2023</u>
Refund liabilities				
-sales discounts and returns	\$ <u>1,056,382</u>	\$ <u>1,127,279</u>	\$ <u>1,080,457</u>	\$ <u>778,605</u>
Contract liabilities				
-advance sales receipts	\$ <u>759,383</u>	\$ <u>1,461,903</u>	\$ <u>832,684</u>	\$ <u>904,038</u>

- C. Revenue recognised that was included in the contract liability balance at the beginning of the period:

	<u>Three months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period	\$ <u>292,835</u>	\$ <u>34,523</u>
	<u>Nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period	\$ <u>773,918</u>	\$ <u>359,682</u>

(24) Interest income

	<u>Three months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Interest income from bank deposits	\$ 204,695	\$ 29,928
Other interest income	<u>3,818</u>	<u>185</u>
	\$ <u>208,513</u>	\$ <u>30,113</u>
	<u>Nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Interest income from bank deposits	\$ 624,759	\$ 83,706
Other interest income	<u>5,782</u>	<u>696</u>
	\$ <u>630,541</u>	\$ <u>84,402</u>

(25) Other income

	Three months ended September 30,	
	2024	2023
Dividend income	\$ 118,549	\$ 235,265
Grant revenue	45,046	8,087
Other income	40,249	13,194
	<u>\$ 203,844</u>	<u>\$ 256,546</u>

	Nine months ended September 30,	
	2024	2023
Dividend income	\$ 258,272	\$ 436,075
Grant revenue	49,349	84,740
Other income	115,761	50,002
	<u>\$ 423,382</u>	<u>\$ 570,817</u>

(26) Other gains and losses

	Three months ended September 30,	
	2024	2023
(Loss) gain on disposal of property, plant and equipment	(\$ 1,458)	\$ 102
Foreign exchange gain (loss), net	428,599	(49,984)
(Loss) gain on financial assets and liabilities at fair value through profit or loss	(292,617)	84,836
Other losses	(1,190)	(32,792)
	<u>\$ 133,334</u>	<u>\$ 2,162</u>

	Nine months ended September 30,	
	2024	2023
(Loss) gain on disposal of property, plant and equipment	(\$ 5,635)	\$ 219
Foreign exchange gain (loss), net	315,960	(292,012)
Gain on financial assets and liabilities at fair value through profit or loss	46,708	450,012
Other losses	(84,284)	(33,731)
	<u>\$ 272,749</u>	<u>\$ 124,488</u>

(27) Finance costs

	Three months ended September 30,	
	2024	2023
Interest expense:		
Bank borrowings	\$ 831,103	\$ 413,476
Others	26,374	9,424
Financing charges on accounts receivable factoring	241,162	478,507
Other finance costs	54,661	14,342
	<u>\$ 1,153,300</u>	<u>\$ 915,749</u>
	Nine months ended September 30,	
	2024	2023
Interest expense:		
Bank borrowings	\$ 2,495,684	\$ 1,828,527
Others	68,575	36,802
Financing charges on accounts receivable factoring	1,123,172	1,202,198
Other finance costs	133,453	45,779
	<u>\$ 3,820,884</u>	<u>\$ 3,113,306</u>

(28) Expenses by nature

	Three months ended September 30,	
	2024	2023
Employee benefit expense	<u>\$ 4,217,103</u>	<u>\$ 1,446,262</u>
Depreciation	<u>\$ 314,340</u>	<u>\$ 114,629</u>
Amortisation	<u>\$ 108,574</u>	<u>\$ 28,221</u>
	Nine months ended September 30,	
	2024	2023
Employee benefit expense	<u>\$ 9,995,986</u>	<u>\$ 4,274,128</u>
Depreciation	<u>\$ 733,918</u>	<u>\$ 332,064</u>
Amortisation	<u>\$ 249,690</u>	<u>\$ 78,954</u>

(29) Employee benefit expense

	Three months ended September 30,	
	2024	2023
Employee benefit expense		
Wages and salaries	\$ 3,928,340	\$ 1,208,069
Labour and health insurance fees	35,641	34,415
Pension costs	153,132	81,769
Other personnel expenses	99,990	122,009
Total (shown as 'Operating expenses')	<u>\$ 4,217,103</u>	<u>\$ 1,446,262</u>
	Nine months ended September 30,	
	2024	2023
Employee benefit expense		
Wages and salaries	\$ 9,176,075	\$ 3,561,604
Labour and health insurance fees	114,285	114,773
Pension costs	376,565	248,957
Other personnel expenses	329,061	348,794
Total (shown as 'Operating expenses')	<u>\$ 9,995,986</u>	<u>\$ 4,274,128</u>

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 3% for directors' remuneration.

B. For the three months and nine months ended September 30, 2024 and 2023, employees' compensation was accrued at \$34,900, \$13,100, \$77,700 and \$32,600, respectively; while directors' remuneration was accrued at \$7,884, \$7,000 \$22,180 and \$21,000, respectively. The aforementioned amounts were recognised in salary expenses.

Employees' compensation and directors' remuneration for 2023 as resolved by the Board of Directors were in agreement with those amounts recognised in profit or loss for 2023.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(30) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended September 30,	
	2024	2023
Current tax:		
Current tax on profit for the period	\$ 877,384	\$ 122,359
Tax on undistributed surplus earnings	445	-
Prior year income tax (over) under estimation	(558)	4,965
Total current tax	<u>877,271</u>	<u>127,324</u>
Deferred tax:		
Origination and reversal of temporary differences	(125,642)	222,459
Total deferred tax	<u>(125,642)</u>	<u>222,459</u>
Income tax expense	<u>\$ 751,629</u>	<u>\$ 349,783</u>
	Nine months ended September 30,	
	2024	2023
Current tax:		
Current tax on profit for the period	\$ 2,081,406	\$ 234,922
Tax on undistributed surplus earnings	147,795	63,616
Prior year income tax over estimation	(1,704)	(145)
Total current tax	<u>2,227,497</u>	<u>298,393</u>
Deferred tax:		
Origination and reversal of temporary differences	(296,047)	624,747
Total deferred tax	<u>(296,047)</u>	<u>624,747</u>
Income tax expense	<u>\$ 1,931,450</u>	<u>\$ 923,140</u>

B. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

C. The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

D. The Group's exposure to Pillar Two income taxes arising from the Pillar Two legislation is as follows:

The Group is within the scope of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). The Pillar Two legislation was enacted in Canada, the European Union and South Korea, and will take effect from fiscal year of 2024. For certain subsidiaries incorporated in Singapore, the Pillar Two legislation has yet to be enacted and is expected to take effect from fiscal year of 2025.

Under the Pillar Two legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate. The Group has taken into account the complexities in applying the legislation and calculating GloBE income as well as the impact of specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated in accordance with IAS 12. This assessment indicates that for companies registered in Canada, Europe, and South Korea, the average effective tax rate based on accounting profit is over 15% for the nine months ended September 30, 2024. However, for subsidiaries registered in Singapore, the average effective tax rate based on accounting profit is not over 15% for the same period. Nevertheless, there is no material impact on the financial statements and current tax expense for the third quarter of 2024. The Group has no related significant current tax exposure as of September 30, 2024.

The Group has applied the amendments to IAS 12, 'Income tax' issued on May 23, 2023 and applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

(31) Earnings per share

	<u>Three months ended September 30, 2024</u>		
	<u>Amount after tax</u>	<u>Weighted average number of common stock outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to shareholders of the parent	\$ 2,835,990	1,114,775	\$ 2.54
<u>Diluted earnings per share</u>			
Profit attributable to shareholders of the parent	\$ 2,835,990	1,114,775	
Assumed conversion of all dilutive potential common stock:			
Restricted stocks to employees	-	1,324	
Employee stock options	-	7,517	
Employees' compensation	-	331	
Profit used to calculate diluted earnings per share attributable to shareholders of the parent plus assumed conversion of all dilutive potential common stock	<u>\$ 2,835,990</u>	<u>1,123,947</u>	<u>\$ 2.52</u>

	Three months ended September 30, 2023		
	Amount after tax	Weighted average number of common stock outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to shareholders of the parent	\$ 1,280,086	884,076	\$ 1.45
<u>Diluted earnings per share</u>			
Profit attributable to shareholders of the parent	\$ 1,280,086	884,076	
Assumed conversion of all dilutive potential common stock:			
Restricted stocks to employees	-	1,193	
Employee stock options	-	9,787	
Employees' compensation	-	117	
Profit used to calculate diluted earnings per share attributable to shareholders of the parent plus assumed conversion of all dilutive potential common stock	<u>\$ 1,280,086</u>	<u>895,173</u>	<u>\$ 1.43</u>
	Nine months ended September 30, 2024		
	Amount after tax	Weighted average number of common stock outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to shareholders of the parent	\$ 6,576,010		
Less: Dividends of preferred stock	(270,000)		
Profit used to calculate basic earnings per share	<u>\$ 6,306,010</u>	<u>1,077,378</u>	<u>\$ 5.85</u>
<u>Diluted earnings per share</u>			
Profit attributable to shareholders of the parent	\$ 6,576,010		
Less: Dividends of preferred stock	(270,000)		
Profit used to calculate diluted earnings per share	6,306,010	1,077,378	
Assumed conversion of all dilutive potential common stock:			
Restricted stocks to employees	-	1,693	
Employee stock options	-	7,517	
Employees' compensation	-	779	
Profit used to calculate diluted earnings per share attributable to shareholders of the parent plus assumed conversion of all dilutive potential common stock	<u>\$ 6,306,010</u>	<u>1,087,367</u>	<u>\$ 5.80</u>

	Nine months ended September 30, 2023		
	Amount after tax	Weighted average number of common stock outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to shareholders of the parent	\$ 2,968,494		
Less: Dividends of preferred stock	(270,000)		
Profit used to calculate basic earnings per share	<u>\$ 2,698,494</u>	<u>882,516</u>	<u>\$ 3.06</u>
<u>Diluted earnings per share</u>			
Profit attributable to shareholders of the parent	\$ 2,968,494		
Less: Dividends of preferred stock	(270,000)		
Profit used to calculate diluted earnings per share	2,698,494	882,516	
Assumed conversion of all dilutive potential common stock:			
Restricted stocks to employees	-	2,128	
Employee stock options	-	9,787	
Employees' compensation	-	<u>550</u>	
Profit used to calculate diluted earnings per share attributable to shareholders of the parent plus assumed conversion of all dilutive potential common stock	<u>\$ 2,698,494</u>	<u>894,981</u>	<u>\$ 3.02</u>

(32) Business combination

As of September 30, 2024 and 2023, the Group's mergers are as follows:

- A. The Group acquired all the equity interest of FUTURE ELECTRONICS INC. ("FUTURE Company"):
- (a) On September 14, 2023, the Company's audit committee and Board of Directors resolved to enter into a definitive agreement for the acquisition of all the shares of FUTURE ELECTRONICS INC. In January 2024, the Board of Directors and the directors of the Company and its subsidiary, Morrihan International Corp., resolved and agreed to set up a joint venture, WT MORRIHAN INVESTMENT LIMITED in Canada to acquire all the equity interests of FUTURE Company. On April 2, 2024, the share-settled was completed, and the total acquisition amounted to NT\$121,524,000 thousand (US\$3.8 billion). In accordance with the terms of the contract, a consideration adjustment has been made on August 7, 2024, resulting in a final adjusted consideration of NT\$121,404,566 thousand (US\$3,796,333 thousand).
- (b) FUTURE Company is primarily engaged in the distribution and sales of various electronic components. The purpose of the combination is to strengthen the expansion of the business through the complementary product lines of the two parties, provide customers with a wider range of product solutions and technical support services and enhance the Group's global distribution capabilities.

- (c) The following table summarises the consideration paid for FUTURE Company and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	<u>April 2, 2024</u>
Purchase consideration	
Cash	\$ 121,404,566
Fair value of the identifiable assets acquired and liabilities assumed	
Cash	3,949,018
Accounts receivable	55,935,579
Inventories	44,033,710
Other receivables	981,914
Other current assets	4,142,689
Property, plant and equipment	2,124,176
Right-of-use assets	1,342,520
Deferred tax assets	407,617
Other non-current assets	215,801
Accounts payable and Other payables	(24,310,804)
Lease liabilities	(1,379,042)
Other current liabilities	(487,215)
Deferred tax liabilities	(37,864)
Other non-current liabilities	(185,836)
Total identifiable net assets	86,732,263
Fair value of the identifiable net assets-customer relationship	<u>8,073,255</u>
Goodwill	<u>\$ 26,599,048</u>

- (d) Had FUTURE Company been consolidated from January 1, 2024, the consolidated statement of comprehensive income would show operating revenue of \$730,114,176 and profit before income tax of \$8,063,528.
- (e) As of September 30, 2024, the allocation of the purchase price of the business combination is still in process, and the Company has hired experts to assess the fair value of the identifiable assets.
- B. The Group acquired all the equity interest of LEADER'S TECHNOLOGY CO., LTD. ("LEADER Company"):
- (a) The Company's subsidiary, ANALOG WORLD CO., LTD., acquired all the equity interest of LEADER Company in May 2023, and the effective date for the share conversion was set on May 3, 2023. LEADER Company is primarily engaged in the distribution and sales of electronic components with the Korea region as its primary market.
- (b) The following table summarises the consideration paid for LEADER Company and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	<u>May 3, 2023</u>
Purchase consideration	
Cash	\$ 204,289
Fair value of the identifiable assets acquired and liabilities assumed	
Cash	4,983
Accounts receivable	189,005
Other receivables	17,787
Inventories	298,853
Other current assets	21,411
Property, plant and equipment	6,591
Other non-current assets	2,444
Short-term borrowings	(183,102)
Accounts payable	(126,813)
Other payables	(20,535)
Current income tax liabilities	(12,090)
Other current liabilities	(8,246)
Long-term loans	(1,485)
Other non-current liabilities	(35,382)
Total identifiable net assets	153,421
Fair value of the identifiable net assets-customer relationship	<u>50,868</u>
Goodwill	<u>\$ -</u>

- (c) The operating revenue and loss before income tax included in the consolidated statement of comprehensive income since May 3, 2023 contributed by LEADER Company was \$415,015 and \$14,866, respectively. Had LEADER Company been consolidated from January 1, 2023, the consolidated statement of comprehensive income for the nine months ended September 30, 2023 would show operating revenue of \$405,138,486 and profit before income tax of \$3,974,581.

(33) Supplemental cash flow information

A. Cash paid for property, plant and equipment:

	Nine months ended September 30,	
	2024	2023
Purchase of property, plant and equipment	\$ 186,447	\$ 417,188
Add: Opening balance of payable on equipment	2,772	770
Ending balance of prepayments for business facilities	3,197	1,080
Less: Ending balance of payable on equipment	(3,919)	(2,260)
Opening balance of prepayments for business facilities	(1,091)	(223,501)
Effect of foreign exchange	3	19
Cash paid during the period	<u>\$ 187,409</u>	<u>\$ 193,296</u>

B. Cash paid for business combinations:

	Nine months ended September 30,	
	2024	2023
Current assets	\$ 109,042,910	\$ 532,039
Property, plant and equipment	2,124,176	6,591
Acquired identifiable intangible assets	34,672,303	50,868
Other non-current assets	1,965,938	2,444
Current liabilities	(24,798,019)	(350,786)
Non-current liabilities	(1,602,742)	(36,867)
Fair value of assets acquired and liabilities assumed	121,404,566	204,289
Acquired cash from business combinations	(3,949,018)	(4,983)
Cash paid during the period	<u>\$ 117,455,548</u>	<u>\$ 199,306</u>

D. Transactions with non-controlling interest

	Nine months ended September 30,	
	2024	2023
Acquisition of equity of subsidiary	<u>\$ -</u>	<u>\$ 1,786</u>

(34) Changes in liabilities from financing activities

	Long-term and short-term borrowings (Note)	Short-term notes and bills payable	Lease liability	Liabilities from financing activities-gross
At January 1, 2024	\$ 32,554,472	\$ 349,848	\$ 718,620	\$ 33,622,940
Changes in cash flow from financing activities	85,240,904	535,189	(474,653)	85,301,440
Impact of changes in foreign exchange rate	139,072	-	20,354	159,426
Interest expense from amortisation	-	14,717	-	14,717
Increase in lease liability	-	-	367,181	367,181
Acquired from business combinations	-	-	1,379,042	1,379,042
At September 30, 2024	<u>\$ 117,934,448</u>	<u>\$ 899,754</u>	<u>\$ 2,010,544</u>	<u>\$ 120,844,746</u>

	Long-term and short-term borrowings (Note)	Short-term notes and bills payable	Lease liability	Liabilities from financing activities-gross
At January 1, 2023	\$ 56,127,005	\$ 1,049,386	\$ 584,132	\$ 57,760,523
Changes in cash flow from financing activities	(26,272,411)	(715,446)	(220,583)	(27,208,440)
Impact of changes in foreign exchange rate	19,509	-	8,028	27,537
Interest expense from amortisation	-	15,849	-	15,849
Increase in lease liability	-	-	339,702	339,702
Acquired from business combinations	184,587	-	-	184,587
At September 30, 2023	<u>\$ 30,058,690</u>	<u>\$ 349,789</u>	<u>\$ 711,279</u>	<u>\$ 31,119,758</u>

Note: Including current portions of long-term loans.

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
JCD OPTICAL CORPORATION LIMITED	Associate
WPG Holdings Limited and Subsidiaries	Entity with significant influence over the Group
ASUSTeK Computer Inc. and Subsidiaries	Entity with significant influence over the Group

(2) Significant related party transactions

A. Operating revenue

	<u>Three months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Sales of goods:		
- Entity with significant influence over the Group	\$ 1,513,451	\$ 2,758,025
- Associates	<u>2</u>	<u>9</u>
	<u>\$ 1,513,453</u>	<u>\$ 2,758,034</u>
	<u>Nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Sales of goods:		
- Entity with significant influence over the Group	\$ 3,644,094	\$ 5,661,374
- Associates	<u>1,122</u>	<u>1,076</u>
	<u>\$ 3,645,216</u>	<u>\$ 5,662,450</u>

1. The collection terms with related parties were 30 to 120 days after the end of next month and the products were categorised and priced taking into consideration the inventory cost, market and other conditions.
2. The transactions between FUTURE ELECTRONICS INC. and associates pertain to transactions starting from the business acquisition date.

B. Purchases

	<u>Three months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Purchases of goods:		
- Entity with significant influence over the Group	\$ <u>383,138</u>	\$ <u>255,237</u>
	<u>Nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Purchases of goods:		
- Entity with significant influence over the Group	\$ <u>801,793</u>	\$ <u>868,068</u>

1. The credit term to related parties is 30 to 45 days after the end of the following month and the purchase prices were categorised and priced taking into consideration the market prices and other conditions.
2. The transactions between FUTURE ELECTRONICS INC. and associates pertain to transactions starting from the business acquisition date.

C. Receivables from related parties

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Accounts receivable:			
- Entity with significant influence over the Group	\$ 1,578,477	\$ 641,771	\$ 1,951,437
- Associates	<u>-</u>	<u>954</u>	<u>-</u>
	<u>\$ 1,578,477</u>	<u>\$ 642,725</u>	<u>\$ 1,951,437</u>

The transactions between FUTURE ELECTRONICS INC. and associates pertain to transactions starting from the business acquisition date.

D. Payables to related parties

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Accounts payable:			
- Entity with significant influence over the Group	<u>\$ 95,687</u>	<u>\$ 113,901</u>	<u>\$ 133,340</u>

(3) Key management compensation

	<u>Three months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Salaries and other short-term employee benefits	\$ 95,865	\$ 18,908
Post-employment benefits	188	193
Share-based payment	<u>2,206</u>	<u>5,765</u>
	<u>\$ 98,259</u>	<u>\$ 24,866</u>
	<u>Nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Salaries and other short-term employee benefits	\$ 208,518	\$ 59,626
Post-employment benefits	557	679
Share-based payment	<u>7,067</u>	<u>19,111</u>
	<u>\$ 216,142</u>	<u>\$ 79,416</u>

8. PLEGGED ASSETS

The details of the Group's assets pledged as collateral are as follows:

<u>Pledged asset</u>	<u>Purpose</u>	<u>Book value</u>		
		<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Other current assets:				
Bank deposits	Bid bond	<u>\$ 3,074</u>	<u>\$ 2,978</u>	<u>\$ 3,130</u>

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. Outstanding letters of credit

The outstanding letters of credit for the purchase of inventories by the Group are as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Outstanding letters of credit	<u>\$ 9,578,079</u>	<u>\$ 9,432,143</u>	<u>\$ 9,913,610</u>

B. Guarantee for customs duties

The total guarantee for customs duties is as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Customs duties guarantee	<u>\$ 37,000</u>	<u>\$ 51,000</u>	<u>\$ 51,000</u>

C. On September 14, 2023, the Company's audit committee and Board of Directors resolved to enter into a definitive agreement for the acquisition of all the shares of FUTURE ELECTRONICS INC.

On April 2, 2024, the share-settled was completed. Refer to Note 6(32) for details.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On October 10, 2024, the Company's Board of Directors resolved to issue 30 million units of employee stock options, and each unit entitles the holder to purchase one share of the company's common stock, resulting in a total of 30 million new shares of common stock. The issuance had been approved by the competent authority on October 22, 2024 and it should be effective in full or in several times within two years of receipt of approval. On October 23, 2024, the Chairman approved and signed off on the first issuance of 22,849 thousand units, with an exercise price of NT\$115.5 per share, based on the closing price of the Company's common stock on the issuance date.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the financial debt ratio. This ratio is calculated as total liabilities with interests divided by total net assets. Total liabilities with interest is calculated as total amount of long-term and short-term borrowings, short-term bills payable and corporate bonds payable in the consolidated balance sheet. Total equity is calculated as the 'equity' in the consolidated balance sheet.

For the nine months ended September 30, 2024 and 2023, the Group's strategy was to maintain the

financial debt ratio below 250%.

(2) Financial instruments

A. Financial instruments by category

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 373,363	\$ 397,151	\$ 414,801
Financial assets designated as at fair value through profit or loss on initial recognition	5,890	5,778	5,195
	<u>\$ 379,253</u>	<u>\$ 402,929</u>	<u>\$ 419,996</u>
Financial assets at fair value through other comprehensive income			
Designation of equity instruments	\$ 10,374,995	\$ 19,939,272	\$ 13,943,773
Qualifying debt instruments	60,009,052	67,187,035	49,567,809
	<u>\$ 70,384,047</u>	<u>\$ 87,126,307</u>	<u>\$ 63,511,582</u>
Financial assets at amortised cost			
Cash and cash equivalents	\$ 37,758,320	\$ 22,747,549	\$ 6,718,911
Accounts receivable	100,619,498	44,449,615	52,448,196
Other receivables	7,181,681	5,550,957	1,816,267
Other financial assets (shown as 'other current assets')	876,762	549,058	599,873
Guarantee deposits paid (shown as 'other non-current assets')	179,217	333,160	342,266
	<u>\$ 146,615,478</u>	<u>\$ 73,630,339</u>	<u>\$ 61,925,513</u>

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss			
Financial liabilities held for trading	\$ <u>10,510</u>	\$ <u>41,185</u>	\$ <u>4,224</u>
Financial liabilities at amortised cost			
Short-term borrowings	\$ 33,349,295	\$ 19,821,848	\$ 25,045,904
Short-term notes and bills payable	899,754	349,848	349,789
Accounts payable	176,593,356	147,955,015	126,867,964
Other accounts payable	9,766,205	5,980,439	4,060,387
Long-term loans (including current portion)	84,585,153	12,732,624	5,012,786
Guarantee deposits received (shown as 'other current liabilities')	427,815	-	-
Guarantee deposits received (shown as 'other non-current liabilities')	<u>7,172</u>	<u>7,559</u>	<u>7,888</u>
	<u>\$ 305,628,750</u>	<u>\$ 186,847,333</u>	<u>\$ 161,344,718</u>
Lease liability	<u>\$ 2,010,544</u>	<u>\$ 718,620</u>	<u>\$ 711,279</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risks (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts and foreign currency option contracts, are used to hedge certain exchange rate risk. In addition, foreign exchange risk is managed by matching the payment periods of foreign currency assets and liabilities.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.
- (c) Information about derivative financial instruments that are used to hedge certain exchange rate risk is provided in Note 6(2).

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.
- iii. The Group hedges foreign exchange rate by using forward exchange contracts. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).
- iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other subsidiaries' functional currency: USD, SGD, RMB and KRW). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	September 30, 2024				
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	<u>Sensitivity analysis</u>	
				Degree of variation	Effect on profit or loss
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	4,634,028	31.690	146,852,347	1%	1,468,523
USD:KRW	20,978	1,329.7	664,793	1%	6,648
USD:RMB	5,815	7.0173	184,277	1%	1,843
SGD:USD	144,490	0.779	3,566,013	1%	35,660
<u>Foreign operations</u>					
USD:NTD	4,571,749	31.690	144,878,720		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	4,299,111	31.690	136,238,828	1%	1,362,388
USD:RMB	385,021	7.0173	12,201,315	1%	122,013
USD:KRW	32,830	1,329.7	1,040,383	1%	10,404
SGD:TWD	80,095	24.68	1,976,745	1%	19,767

December 31, 2023

	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis	
				Degree of variation	Effect on profit or loss
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	3,523,067	30.705	108,175,772	1%	1,081,758
USD:KRW	20,922	1,289.4	642,410	1%	6,424
USD:RMB	9,089	7.100	279,078	1%	2,791
RMB:USD	38,124	0.141	164,879	1%	1,649
<u>Foreign operations</u>					
USD:NTD	643,057	30.705	19,744,639		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	3,538,818	30.705	108,659,407	1%	1,086,594
USD:RMB	237,381	7.100	7,288,784	1%	72,888
USD:KRW	34,913	1,289.4	1,072,004	1%	10,720

September 30, 2023

	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis	
				Degree of variation	Effect on profit or loss
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	\$ 3,122,451	32.270	\$100,761,494	1%	\$ 1,007,615
USD:KRW	21,641	1,344.8	204,947	1%	2,049
USD:RMB	6,351	7.315	698,355	1%	6,984
RMB:USD	38,123	0.137	168,183	1%	1,682
<u>Foreign operations</u>					
USD:NTD	617,063	32.270	19,910,386		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	3,103,353	32.270	100,145,201	1%	1,001,452
USD:RMB	240,165	7.315	7,750,125	1%	77,501
USD:KRW	50,335	1,344.8	1,624,310	1%	16,243

- v. The total exchange income (loss), including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the three months and nine months ended September 30, 2024 and 2023 amounted to \$428,599, (\$49,984), \$315,960 and (\$292,012), respectively.

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is performed in accordance with the limits set by the Group.
- ii. The Group's investments comprise shares and beneficiary certificates issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the nine months ended September 30, 2024 and 2023 would have increased/decreased by \$2,622 and \$2,435, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$103,750 and \$139,438, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from bank borrowings with variable rates and advance receipt of factoring accounts receivable, which expose the Group to cash flow interest rate risk. During the nine months ended September 30, 2024 and 2023, the Group's borrowings at variable rate were mainly denominated in US Dollars.
- ii. The Group's borrowings are measured at amortised cost. According to the contract, the borrowings are periodically reset. Therefore, the Group is exposed to the risk of future changes in market interest rates.
- iii. If the borrowing interest rate had increased/decreased by 25 basis point with all other variables held constant, profit, net of tax for the nine months ended September 30, 2024 and 2023 would have decreased/increased by \$177,760 and \$48,038, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Group manages its credit risk from the group's perspective. For banks and financial institutions, only approved by FSC are accepted to be transaction parties. According to the credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. The Group assesses the credit quality of the customers, taking into account their financial position, past experience and other factors through internal

risk control. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

- iii. If the contract payments were past due over 90 days based on the terms, the Group considers that there has been a significant increase in credit risk on that instrument since initial recognition. The Group considers that the default occurs when the contract payments are past due over 180 days.
- iv. The ageing analysis of accounts receivable (including overdue receivables) and notes receivable is as follows:

	Notes and accounts receivable		
	September 30, 2024	December 31, 2023	September 30, 2023
Not past due	\$ 145,977,564	\$ 105,301,863	\$ 95,791,359
Up to 90 days	13,976,493	6,269,239	6,051,250
91 to 180 days	751,273	123,828	172,772
Over 180 days	596,521	678,644	745,631
	<u>\$ 161,301,851</u>	<u>\$ 112,373,574</u>	<u>\$ 102,761,012</u>

(i) The above ageing analysis was based on days past due.

(ii) Abovementioned notes receivable are not past due.

After the recourse procedure, the Group will write off the amount of financial assets that cannot reasonably be expected to be recovered, however the Group will continue to carry out recourse legal procedures to preserve the creditor's rights.

- v. The Group assesses the expected credit losses of its accounts receivable as follows:
 - (i) Accounts receivable that are significantly past due are assessed individually for their expected credit losses;
 - (ii) The remaining receivables are segmented according to the Group's credit ratings of its customers. Different loss rates or provision matrices are applied to the different segments when estimating expected credit losses;
 - (iii) Loss rates, calculated from historical and current information, are adjusted according to forward-looking information such as the business indicators published by the National Development Council.
 - (iv) As of September 30, 2024, December 31, 2023 and September 30, 2023, loss allowances of accounts receivable and notes receivable calculated from individual assessment or using the loss rate methodology and provision matrix are as follows:

September 30, 2024	Individual	Group A & B	Group C	Group D	Total
Expected loss rate	56.93%	0.05%~0.115%	0.08%~100%	0.05%~35.59%	
Total book value	<u>\$ 752,742</u>	<u>\$ 122,394,811</u>	<u>\$ 33,958,916</u>	<u>\$ 4,195,382</u>	<u>\$ 161,301,851</u>
Loss allowance	<u>\$ 428,516</u>	<u>\$ 92,529</u>	<u>\$ 93,086</u>	<u>\$ 59,170</u>	<u>\$ 673,301</u>
December 31, 2023	Individual	Group A & B	Group C	Group D	Total
Expected loss rate	85.71%	0.05%	0.08%~61.54%	0.05%~38.90%	
Total book value	<u>\$ 622,047</u>	<u>\$ 74,284,224</u>	<u>\$ 33,017,482</u>	<u>\$ 4,449,821</u>	<u>\$ 112,373,574</u>
Loss allowance	<u>\$ 533,176</u>	<u>\$ 36,845</u>	<u>\$ 92,611</u>	<u>\$ 74,292</u>	<u>\$ 736,924</u>
September 30, 2023	Individual	Group A & B	Group C	Group D	Total
Expected loss rate	87.86%	0.05%	0.08%~61.51%	0.05%~26.94%	
Total book value	<u>\$ 643,245</u>	<u>\$ 68,611,656</u>	<u>\$ 30,024,110</u>	<u>\$ 3,482,001</u>	<u>\$ 102,761,012</u>
Loss allowance	<u>\$ 565,152</u>	<u>\$ 33,854</u>	<u>\$ 67,082</u>	<u>\$ 78,919</u>	<u>\$ 745,007</u>

Group A: Customers with excellent credit rating

Group B: Customers with fine credit rating

Group C: Customers with normal credit rating

Group D: Rated as other than A, B and C

- vi. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable (including overdue receivables) are as follows:

	2024	2023
At January 1	\$ 736,924	\$ 724,879
Provision for impairment	65,821	2,914
Write-off	(129,521)	-
Effect of exchange rate changes	77	17,214
At September 30	<u>\$ 673,301</u>	<u>\$ 745,007</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. The Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (Note 6(15)) at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internally assessed financial ratio targets and, if applicable, external regulatory or legal requirements.
- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. The Group treasury invests surplus cash in interest bearing demand deposits, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts, and expects to readily generate cash inflows for managing liquidity risk.

- iii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the due date at the balance sheet date. Non-derivative financial liabilities are analysed by remaining periods from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

September 30, 2024

	<u>Less than 1 year</u>	<u>Between 1 and 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Short-term borrowings (Note)	\$ 33,758,225	\$ -	\$ -	\$ 33,758,225
Lease liability	805,242	1,167,437	194,965	2,167,644
Long-term loans (Note)	84,598	87,653,578	-	87,738,176
	<u>\$ 34,648,065</u>	<u>\$ 88,821,015</u>	<u>\$ 194,965</u>	<u>\$123,664,045</u>

December 31, 2023

	<u>Less than 1 year</u>	<u>Between 1 and 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Short-term borrowings (Note)	\$ 19,914,960	\$ -	\$ -	\$ 19,914,960
Lease liability	253,608	370,192	213,612	837,412
Long-term loans (Note)	88,587	13,983,695	-	14,072,282
	<u>\$ 20,257,155</u>	<u>\$ 14,353,887</u>	<u>\$ 213,612</u>	<u>\$ 34,824,654</u>

September 30, 2023

	<u>Less than 1 year</u>	<u>Between 1 and 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Short-term borrowings (Note)	\$ 25,120,527	\$ -	\$ -	\$ 25,120,527
Lease liability	260,729	344,558	190,042	795,329
Long-term loans (Note)	444,527	5,307,225	-	5,751,752
	<u>\$ 25,825,783</u>	<u>\$ 5,651,783</u>	<u>\$ 190,042</u>	<u>\$ 31,667,608</u>

Note: Including imputed interest payable.

Except for the above, the Group's non-derivative financial liabilities are due in one year.

Derivative financial liabilities

Derivative financial liabilities:

As of September 30, 2024, December 31, 2023 and September 30, 2023, all derivative financial liabilities of the Group are due in one year.

- iv. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the

entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks, open-end funds and overseas bonds is included in level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in derivative instruments is included in level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market, debt instrument and private equity fund is included in Level 3.

- B. Fair value information of investment property at cost is provided in Note 6(10).
- C. The carrying amounts of financial instruments not measured at fair value, including cash and cash equivalents, notes and accounts receivable, other receivables, other current assets, short-term borrowings, short-term notes and bills payable, accounts payable, other payables and long-term loans (including current portion), are approximate to their fair values.
- D. The related information on financial instruments measured at fair value by level on the basis of the nature, characteristics and risks are as follows:
 - (a) The related information on the nature of the assets and liabilities is as follows:

September 30, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 32,580	\$ -	\$ 289,278	\$ 321,858
Equity instruments	5,890	-	-	5,890
Debt instruments	295	-	33,820	34,115
Derivative instruments	-	1,544	-	1,544
Hybrid instruments	-	-	15,846	15,846
Financial assets at fair value through other comprehensive income				
Equity instruments	10,149,913	-	225,082	10,374,995
Accounts receivable that are expected to be factored				
	-	-	60,009,052	60,009,052
	<u>\$10,188,678</u>	<u>\$ 1,544</u>	<u>\$60,573,078</u>	<u>\$70,763,300</u>

September 30, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	\$ -	\$ 10,510	\$ -	\$ 10,510

December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 44,630	\$ -	\$ 263,852	\$ 308,482
Equity instruments	5,778	-	-	5,778
Debt instruments	284	-	48,289	48,573
Derivative instruments	-	179	-	179
Hybrid instruments	-	-	39,917	39,917
Financial assets at fair value through other comprehensive income				
Equity instruments	19,736,078	-	203,194	19,939,272
Accounts receivable that are expected to be factored				
	-	-	67,187,035	67,187,035
	<u>\$19,786,770</u>	<u>\$ 179</u>	<u>\$67,742,287</u>	<u>\$87,529,236</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	\$ -	\$ 41,185	\$ -	\$ 41,185

September 30, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 39,859	\$ -	\$ 259,170	\$ 299,029
Equity instruments	5,195	-	-	5,195
Debt instruments	273	-	72,671	72,944
Derivative instrument	-	877	-	877
Hybrid instrument	-	-	41,951	41,951
Financial assets at fair value through other comprehensive income				
Equity instruments	13,743,211	-	200,562	13,943,773
Accounts receivable that are expected to be factored	-	-	49,567,809	49,567,809
	<u>\$13,788,538</u>	<u>\$ 877</u>	<u>\$50,142,163</u>	<u>\$63,931,578</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Liabilities</u>				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instrument	<u>\$ -</u>	<u>\$ 4,224</u>	<u>\$ -</u>	<u>\$ 4,224</u>

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>	<u>Open-end fund</u>	<u>Corporate bonds</u>
Market quoted price	Closing price	Net assets value	Weighted average quoted price

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.
- iii. When assessing non-standard and low-complexity financial instruments, for example, cross currency swap contracts, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial

instruments are normally observable in the market.

- iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
 - v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
 - vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.
- E. For the nine months ended September 30, 2024 and 2023, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the nine months ended September 30, 2024 and 2023:

	Financial instruments	
	2024	2023
At January 1	\$ 67,742,287	\$ 30,038,813
Acquired during the period	17,597	110,888
Disposed during the period	(12,115)	(6,982)
Gains recognised in profit or loss	2,293	16,197
(Losses) gains recognised in other comprehensive income	(10,960)	3,246
Increase in accounts receivable that are expected to be factored	18,594,231	29,458,360
Decrease in accounts receivable that are expected to be factored	(25,772,214)	(9,493,265)
Effect of exchange rate changes	11,959	14,906
At September 30	<u>\$ 60,573,078</u>	<u>\$ 50,142,163</u>

For the nine months ended September 30, 2024 and 2023, there was no transfer into or out from Level 3.

G. The following is the qualitative information on significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at September 30, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Unlisted shares	\$ 4,144	Market comparable companies	Price to earnings ratio multiple Discount for lack of marketability	1.56~2.46 (2.05) 30%	The higher the multiple, the higher the fair value The higher the discount for lack of marketability, the lower the fair value
	62,068	Most recent non-active market price	Not applicable	-	Not applicable
Unlisted preferred stocks	27,408	Discounted cash flow method	Weighted average cost of capital Discount for lack of marketability	11.51% 30%	The higher the weighted average cost of capital and discount for lack of marketability, the lower the fair value
	6,412	Market comparable companies	Price-to-sales ratio Discount for lack of marketability	4.19~8.8 (6.61) 30%	The higher the multiple, the higher the fair value The higher the discount for lack of marketability, the lower the fair value
	131,765	Most recent non-active market price	Not applicable	-	Not applicable
Convertible bonds	15,846	Most recent non-active market price	Not applicable	-	Not applicable
Venture capital shares	27,105	Net asset value	Not applicable	-	Not applicable
Private equity fund	289,278	Net asset value	Not applicable	-	Not applicable
	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Unlisted shares	\$ 5,730	Market comparable companies	Price to earnings ratio multiple Discount for lack of marketability	1.15~1.96 (1.54) 30%	The higher the multiple, the higher the fair value The higher the discount for lack of marketability, the lower the fair value
	48,416	Most recent non-active market price	Not applicable	-	Not applicable

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Unlisted preferred stocks	\$ 26,556	Discounted cash flow method	Weighted average cost of capital	11.51%	The higher the weighted average cost of capital and discount for lack of marketability, the lower the fair value
			Discount for lack of marketability	30%	
	21,733	Market comparable companies	Price to earnings ratio multiple	4.94~11.37 (8.29)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
	100,454	Most recent non- active market price	Not applicable	-	Not applicable
Convertible bonds	39,917	Most recent non- active market price	Not applicable	-	Not applicable
Venture capital shares	48,594	Net asset value	Not applicable	-	Not applicable
Private equity fund	263,852	Net asset value	Not applicable	-	Not applicable
	Fair value at September 30, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Unlisted shares	\$ 6,070	Market comparable companies	Price to earnings ratio multiple	1.15~1.83 (1.53)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
	50,247	Most recent non- active market price	Not applicable	-	Not applicable
Unlisted preferred stocks	27,909	Discounted cash flow method	Weighted average cost of capital	11.51%	The higher the weighted average cost of capital and discount for lack of marketability, the lower the fair value
			Discount for lack of marketability	30%	
	150,336	Most recent non- active market price	Not applicable	-	Not applicable

	Fair value at September 30, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Convertible bonds	\$ 41,951	Most recent non-active market price	Not applicable	-	Not applicable
Venture capital shares	38,671	Net asset value	Not applicable	-	Not applicable
Private equity fund	259,170	Net asset value	Not applicable	-	Not applicable

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Refer to table 1.
- B. Provision of endorsements and guarantees to others: Refer to table 2.
- C. Holding of marketable securities at the end of the year (not including subsidiaries, associates and joint ventures): Refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: Refer to Note 6(2).
- J. Significant inter-company transactions during the reporting periods: Refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 8.

(3) Information on investments in Mainland China

- A. Basic information: Refer to table 9.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to Note 13(1).

(4) Major shareholders information

Major shareholders information: Refer to table 10.

14. SEGMENT INFORMATION

(1) General information

The Group is engaged in the development and sales of electronic and communication components. The Group's chief operating decision maker reviews the Group's overall operating results to determine decisions of the Group's resources and assess the Group's overall performance. Operating segments of the Group have been aggregated into one operating segment because they have similar economic characteristics and show similar long-term financial performances.

The Group's operating segment information is prepared in accordance with the Group's accounting policies. The decision maker allocates resources and assesses performance of the operating segments primarily based on the operating revenue and profit (loss) before tax of individual operating segment.

(2) Financial information of reportable segment

The financial information on reportable single operating segment to the chief operating decision maker is as follows:

	<u>Single Operating Segment</u>	
	<u>Three months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Revenue from external customers	<u>\$ 261,255,812</u>	<u>\$ 167,259,801</u>
Segment income	<u>\$ 3,557,175</u>	<u>\$ 1,622,502</u>
Segment assets (Note)	<u>\$ -</u>	<u>\$ -</u>
Depreciation and amortisation	<u>\$ 422,914</u>	<u>\$ 111,034</u>
Finance costs	<u>\$ 1,153,300</u>	<u>\$ 806,029</u>

	<u>Single Operating Segment</u>	
	<u>Nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Revenue from external customers	<u>\$ 697,554,293</u>	<u>\$ 404,822,806</u>
Segment income	<u>\$ 8,531,664</u>	<u>\$ 3,935,327</u>
Segment assets (Note)	<u>\$ -</u>	<u>\$ -</u>
Depreciation and amortisation	<u>\$ 983,608</u>	<u>\$ 334,299</u>
Finance costs	<u>\$ 3,820,884</u>	<u>\$ 2,847,705</u>

Note: The chief operating decision maker does not use the measured amount of the assets as a measurement indicator; therefore, the measured amount of the Group's assets shall be disclosed as zero.

(3) Reconciliation information on reportable segment revenue and profit (loss)

The reportable segment income is consistent with the income/(loss) before tax from continuing operations for the period.

WT Microelectronics Co., Ltd. and subsidiaries

Loans to others

Nine months ended September 30, 2024

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the nine months ended September 30, 2024	Balance at September 30, 2024	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
1	WINTech MICROELECTRONICS HOLDING LIMITED	WINTech MICROELECTRONICS LTD.	Other receivables - related parties	Y	\$ 7,163,200	\$ 633,800	\$ 633,800	5.65%	Short-term financing	\$ -	Business Operation	\$ -	-	\$ -	\$ 10,770,670	\$ 10,770,670	Note 2
1	WINTech MICROELECTRONICS HOLDING LIMITED	WINTech MICROELECTRONICS (HONG KONG) LIMITED	Other receivables - related parties	Y	6,570,000	6,338,000	6,338,000	1.88%-1.9%	Short-term financing	-	Business Operation	-	-	-	10,770,670	10,770,670	Note 2
2	BSI SEMICONDUCTOR PTE. LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Other receivables - related parties	Y	325,215	313,731	313,731	6.02%-6.84%	Short-term financing	-	Business Operation	-	-	-	606,472	606,472	Note 2
3	MSD HOLDING PTE. LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Other receivables - related parties	Y	91,980	88,732	88,732	6.00%	Short-term financing	-	Business Operation	-	-	-	108,486	108,486	Note 2
4	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD.	Other receivables - related parties	Y	189,420	139,436	139,436	5.94%-6.04%	Short-term financing	-	Business Operation	-	-	-	2,952,102	2,952,102	Note 2
5	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Other receivables - related parties	Y	984,346	361,280	361,280	3.45%	Short-term financing	-	Business Operation	-	-	-	1,959,819	1,959,819	Note 2
6	WINTech INVESTMENT CO., LTD.	WINTech MICROELECTRONICS LTD.	Other receivables - related parties	Y	137,970	133,098	133,098	5.65%	Short-term financing	-	Business Operation	-	-	-	1,112,533	1,112,533	Note 2
7	EXCELPOINT SYSTEMS (PTE) LTD.	EXCELPOINT SYSTEMS VIETNAM COMPANY LIMITED	Other receivables - related parties	Y	49,275	47,535	47,535	5.97%-6.03%	Short-term financing	-	Business Operation	-	-	-	650,540	650,540	Note 2
8	WT TECHNOLOGY KOREA CO., LTD.	LEADER'S TECHNOLOGY CO., LTD.	Other receivables - related parties	Y	190,480	119,150	71,490	4.60%	Short-term financing	-	Business Operation	-	-	-	722,962	722,962	Note 2
9	PLANETSPARK PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD.	Other receivables - related parties	Y	117,216	96,655	96,655	6.27%	Short-term financing	-	Business Operation	-	-	-	234,647	234,647	Note 2
9	PLANETSPARK PTE. LTD.	SPACEAGE LABS PTE. LTD.	Other receivables - non related parties	N	9,141	9,141	9,141	7.50%	Short-term financing	-	Business Operation	-	-	-	93,859	93,859	Note 3
10	FUTURE ELECTRONICS INC.	FUTURE ELECTRONICS (CDA) LTD.	Other receivables - related parties	Y	1,971,000	1,901,400	-	6.39535%	Short-term financing	-	Business Operation	-	-	-	122,655,910	122,655,910	Note 2
10	FUTURE ELECTRONICS INC.	FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	Other receivables - related parties	Y	2,628,000	2,535,200	-	6.39535%	Short-term financing	-	Business Operation	-	-	-	122,655,910	122,655,910	Note 2
10	FUTURE ELECTRONICS INC.	FUTURE ELECTRONICS (US) FINANCE CORP.	Other receivables - related parties	Y	2,562,300	2,471,820	-	6.39535%	Short-term financing	-	Business Operation	-	-	-	122,655,910	122,655,910	Note 2
11	FUTURE ELECTRONICS (CDA) LTD.	FUTURE ELECTRONICS INC.	Other receivables - related parties	Y	1,971,000	1,901,400	1,892,313	6.39535%	Short-term financing	-	Business Operation	-	-	-	22,382,463	22,382,463	Note 2
11	FUTURE ELECTRONICS (CDA) LTD.	FUTURE ELECTRONICS TURKEY İÇ VE DIŞ TİCARET LİMİTED ŞİRKETİ	Other receivables - related parties	Y	63,416	63,416	26,000	6.55%	Short-term financing	-	Business Operation	-	-	-	22,382,463	22,382,463	Note 2
11	FUTURE ELECTRONICS (CDA) LTD.	FE TRADING PTY LTD.	Other receivables - related parties	Y	131,059	131,059	71,871	6.55%	Short-term financing	-	Business Operation	-	-	-	22,382,463	22,382,463	Note 2
12	FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ELECTRONICS INC.	Other receivables - related parties	Y	2,628,000	2,535,200	1,017,249	6.39535%	Short-term financing	-	Business Operation	-	-	-	22,741,367	22,741,367	Note 2
12	FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	MORRIHAN SINGAPORE PTE. LTD.	Other receivables - related parties	Y	6,570,000	6,338,000	3,169,000	5.89%	Short-term financing	-	Business Operation	-	-	-	22,741,367	22,741,367	Note 2
13	FUTURE ELECTRONICS (US) FINANCE CORP.	FUTURE ELECTRONICS INC.	Other receivables - related parties	Y	2,562,300	2,471,820	818,334	6.39535%	Short-term financing	-	Business Operation	-	-	-	27,243,238	27,243,238	Note 2
13	FUTURE ELECTRONICS (US) FINANCE CORP.	FUTURE ELECTRONICS DISTRIBUTION CENTER, LP	Other receivables - related parties	Y	3,285,000	3,169,000	1,082,943	6.39535%	Short-term financing	-	Business Operation	-	-	-	27,243,238	27,243,238	Note 2

Number (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the nine months ended September	Balance at	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					30, 2024	September 30, 2024							Item	Value			
14	FUTURE ELECTRONICS DISTRIBUTION CENTER, LP	FUTURE ELECTRONICS (US) FINANCE CORP.	Other receivables - related parties	Y	\$ 3,285,000	\$ 3,169,000	\$ -	6.39535%	Short-term financing	-	Business Operation	\$ -	-	\$ -	\$ 13,000,657	\$ 13,000,657	Note 2
15	FUTURE ELECTRONICS MANAGEMENT SERVICES LIMITED.	FUTURE ELECTRONICS EDC SERVICES GMBH	Other receivables - related parties	Y	604,180	599,760	599,760	4.59%	Short-term financing	-	Business Operation	-	-	-	12,455,388	12,455,388	Note 2
16	FUTURE ELECTRONICS SAS	FUTURE ELECTRONICS (CDA) LTD.	Other receivables - related parties	Y	177,700	176,400	70,560	6.54%	Short-term financing	-	Business Operation	-	-	-	685,620	685,620	Note 2
17	FUTURE ELECTRONICS POLSKA SPÓLKA Z	FUTURE ELECTRONICS (CDA) LTD.	Other receivables - related parties	Y	165,288	165,049	165,049	6.54%	Short-term financing	-	Business Operation	-	-	-	191,845	191,845	Note 2
18	FUTURE ELECTRONICS SRL	FUTURE ELECTRONICS (CDA) LTD.	Other receivables - related parties	Y	59,188	59,188	59,188	6.55%	Short-term financing	-	Business Operation	-	-	-	79,079	79,079	Note 2
19	FUTURE ELECTRONICS, S.R.O.	FUTURE ELECTRONICS (CDA) LTD.	Other receivables - related parties	Y	42,277	42,277	33,822	6.55%	Short-term financing	-	Business Operation	-	-	-	54,185	54,185	Note 2
20	FUTURE ELECTRONICS (IRELAND) LTD.	FUTURE ELECTRONICS (CDA) LTD.	Other receivables - related parties	Y	39,094	38,808	38,808	6.55%	Short-term financing	-	Business Operation	-	-	-	68,492	68,492	Note 2
21	FUTURE ELECTRONICS B.V.	FUTURE ELECTRONICS (CDA) LTD.	Other receivables - related parties	Y	39,094	-	-	6.55%	Short-term financing	-	Business Operation	-	-	-	14,628	14,628	Note 2

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

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

Note 2: The policy for loans granted mutually between overseas subsidiaries of which the Company directly or indirectly holds 100% of their voting shares is as follows: ceiling on total loans granted by an overseas subsidiary to all overseas subsidiaries and limit on loans granted by an overseas subsidiary to a single overseas subsidiary are the Creditor's net assets.

Note 3: The policy for loans between the Company and subsidiaries and companies with short-term capital needs is as follows: limit on loans granted by the Company and subsidiaries single party is 40% of the company's net assets, based on the most recent financial statements of the company, ceiling on total loans granted by a company is 40% of the company's net assets.

Note 4: The net assets referred to above are based on the latest audited or reviewed financial statements.

WT Microelectronics Co., Ltd. and subsidiaries
Provision of endorsements and guarantees to others
Nine months ended September 30, 2024

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Company name	Party being endorsed/guaranteed	Relationship with the endorser / guarantor (Note 2)	Limit on endorsements / guarantees provided for a single party (Note 3)	Maximum outstanding endorsement / guarantee amount as of September 30, 2024	Outstanding endorsement / guarantee amount at September 30, 2024	Actual amount drawn down	Amount of endorsements / guarantees secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements / guarantees provided (Note 3)	Provision of endorsements / guarantees by parent company to subsidiary	Provision of endorsements / guarantees by subsidiary to parent company	Provision of endorsements / guarantees to the party in Mainland China	Footnote
0	WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.		2	\$ 369,626,684	\$ 800,000	\$ 800,000	\$ 800,000	\$ -	0.87%	\$ 369,626,684	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.		2	369,626,684	391,680	-	-	-	0.00%	369,626,684	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED		2	369,626,684	1,314,000	1,267,600	-	-	1.37%	369,626,684	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED		2	369,626,684	2,463,750	2,376,750	-	-	2.57%	369,626,684	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.		2	369,626,684	67,014	64,648	3,215	-	0.07%	369,626,684	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WONCHANG SEMICONDUCTOR CO., LTD.		2	369,626,684	1,535	1,268	168	-	0.00%	369,626,684	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	LEADER'S TECHNOLOGY CO., LTD.		2	369,626,684	97,288	97,288	274	-	0.11%	369,626,684	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN SINGAPORE PTE. LTD.		2	369,626,684	328,500	316,900	-	-	0.34%	369,626,684	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.		2	369,626,684	6,061,531	5,893,602	451,600	-	6.38%	369,626,684	Y	N	Y	
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.		2	369,626,684	2,130,824	1,754,080	225,800	-	1.90%	369,626,684	Y	N	Y	
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.		2	369,626,684	31,845,173	31,783,438	26,290,947	-	34.40%	369,626,684	Y	N	N	
1	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD.		2	44,281,530	1,642,500	1,584,500	439,951	-	53.67%	44,281,530	N	N	N	Note 4
2	ANALOG WORLD CO., LTD.	LEADER'S TECHNOLOGY CO., LTD.		2	1,603,636	35,953	-	-	-	0.00%	1,603,636	N	N	N	Note 5
3	FUTURE ELECTRONICS INC.	FUTURE ELECTRONICS EDC SERVICES GMBH		2	490,623,640	2,334	2,318	-	-	0.00%	490,623,640	N	N	N	Note 6
3	FUTURE ELECTRONICS INC.	FUTURE ELECTRONICS (HONG KONG) LIMITED		2	490,623,640	2,264	2,258	-	-	0.00%	490,623,640	N	N	N	Note 6
3	FUTURE ELECTRONICS INC.	FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.		2	490,623,640	208,482	158,450	158,450	-	0.13%	490,623,640	N	N	N	Note 6
3	FUTURE ELECTRONICS INC.	FUTURE ELECTRONICS PTY LTD.		2	490,623,640	183	-	-	-	0.00%	490,623,640	N	N	N	Note 6
3	FUTURE ELECTRONICS INC.	WT MICROELECTRONICS CO., LTD.		3	490,623,640	30,000,000	30,000,000	24,814,000	-	24.54%	490,623,640	N	Y	N	Note 6
3	FUTURE ELECTRONICS INC.	MORRIHAN INTERNATIONAL CORP.		4	490,623,640	30,000,000	30,000,000	24,814,000	-	24.54%	490,623,640	N	N	N	Note 6
4	FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	MACKTRONICS LIMITED		1	9,199	9,199	2,789	-	-	0.01%	90,965,468	N	N	N	Note 7
4	FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	SUMMIT INTERNATIONAL		1	6,570	6,570	4,278	-	-	0.02%	90,965,468	N	N	N	Note 7
4	FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	SNAPDRAGON ENTERPRISE LTD.		1	6,570	6,570	-	-	-	0.00%	\$ 90,965,468	N	N	N	Note 7

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following four categories:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

Note 3: For a single party who owns directly and indirectly more than 50% voting shares of the Company should not be in excess of 400% of the Company's net assets, which are based on the latest financial statements audited or reviewed by the Company's CPA.

Note 4: The limit of endorsement guarantees by EXCELPOINT TECHNOLOGY PTE. LTD. for a single enterprise and the total limit of endorsement guarantees should not be in excess of 15 times the Company's net assets.

Note 5: ANALOG WORLD CO., LTD. for a single enterprise and the total limit of endorsement guarantees should not be in excess of 400% the Company's net assets.

Note 6: FUTURE ELECTRONICS INC. for a single enterprise and the total limit of endorsement guarantees should not be in excess of 400% the Company's net assets.

Note 7: FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD. for a single enterprise and the total limit of endorsement guarantees should not be in excess of 400% the Company's net assets.

For business transaction with the Company, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases.

WT Microelectronics Co., Ltd. and subsidiaries
Holding of marketable securities (not including subsidiaries, associates and joint ventures)
Nine months ended September 30, 2024

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Type of securities	Name of securities	Relationship with the securities issuer	General ledger account (Note)	As of September 30, 2024				Footnote
					Number of shares	Book value	Ownership (%)	Fair value	
WT MICROELECTRONICS CO., LTD.	Common stock	TERAWINS, INC.	None	2	666,248	\$ 4,144	2.19	\$ 4,144	
WT MICROELECTRONICS CO., LTD.	Common stock	AIPTEK INTERNATIONAL INC.	None	2	48,778	-	0.18	-	
WT MICROELECTRONICS CO., LTD.	Common stock	SANJET TECHNOLOGY CORP.	None	2	43,588	-	0.14	-	
WT MICROELECTRONICS CO., LTD.	Common stock	CORERIVER SEMICONDUCTOR CO., LTD.	None	2	28,570	-	0.70	-	
WT MICROELECTRONICS CO., LTD.	Limited Partnership	FORYOU VENTURE CAPITAL LIMITED PARTNERSHIP	None	2	-	27,105	6.73	27,105	
WT MICROELECTRONICS CO., LTD.	Common stock	ASMEDIA TECHNOLOGY INC.	None	2	4,500,000	7,267,500	6.49	7,267,500	
WT MICROELECTRONICS CO., LTD.	Private equity funds	FUH HWA ENERGY - EFFICIENT FUND	None	4	9,443,802	96,799	-	96,799	
WT MICROELECTRONICS CO., LTD.	Funds	FUH HWA TAIWAN GOOD INCOME FUND TWD	None	4	3,000,000	32,580	-	32,580	
WT MICROELECTRONICS CO., LTD.	Common stock	SINO-AMERICAN SILICON PRODUCTS INC.	None	1	2,733,000	483,741	0.47	483,741	
WT MICROELECTRONICS CO., LTD.	Common stock	JESS-LINK PRODUCTS CO., LTD.	None	2	473,000	76,626	0.39	76,626	
WT MICROELECTRONICS CO., LTD.	Private equity funds	FUH HWA GLOBAL IOT AND TECH FUND	None	4	10,010,010	124,725	-	124,725	
WT MICROELECTRONICS CO., LTD.	Common stock	ZILLTEK TECHNOLOGY CORP.	None	2	260,000	87,360	0.47	87,360	
WT MICROELECTRONICS CO., LTD.	Common stock	NICHIDENBO CORPORATION	None	2	1,000,000	62,000	0.47	62,000	
WT MICROELECTRONICS CO., LTD.	Ordinary shares raised through the private placement	NICHIDENBO CORPORATION	None	2	30,000,000	1,707,300	14.11	1,707,300	
WT MICROELECTRONICS CO., LTD.	Common stock	DAYPOWER ENERGY CO., LTD.	None	2	2,000,000	25,000	10.00	25,000	
NUVISION TECHNOLOGY INC.	Common stock	JESS-LINK PRODUCTS CO., LTD.	None	2	196,000	31,752	0.16	31,752	
NUVISION TECHNOLOGY INC.	Common stock	ZILLTEK TECHNOLOGY CORP.	None	2	307,000	103,152	0.56	103,152	
MORRIHAN INTERNATIONAL CORP.	Common stock	JESS-LINK PRODUCTS CO., LTD.	None	2	688,000	111,456	0.56	111,456	
MORRIHAN INTERNATIONAL CORP.	Common stock	ZILLTEK TECHNOLOGY CORP.	None	2	329,000	110,544	0.60	110,544	
WINTech MICROELECTRONICS HOLDING LTD.	Preferred stock	AMMAX BIO, INC.	None	4	301,100	27,408	0.81	27,408	
WINTech MICROELECTRONICS HOLDING LTD.	Bonds	EXXON MOBIL CORPORATION	None	4	100	295	-	295	
WINTech MICROELECTRONICS HOLDING LTD.	Private equity funds	CATHAY PRIVATE EQUITY ECOLOGY LIMITED PARTNERSHIP	None	4	-	12,974	-	12,974	

Securities held by	Type of securities	Name of securities	Relationship with the securities issuer	General ledger account (Note)	As of September 30, 2024				Footnote
					Number of shares	Book value	Ownership (%)	Fair value	
WINTECH MICROELECTRONICS HOLDING LTD.	Preferred stock	AVIVA TECHNOLOGY HOLDING	None	4	659,034	\$ 6,412	1.77	\$ 6,412	
WINTECH MICROELECTRONICS HOLDING LTD.	Common stock	DRAGON YI INVESTMENT LTD.	None	2	600,000	19,014	19.35	19,014	
WINTECH MICROELECTRONICS HOLDING LTD.	Private equity funds	IMPACT SCIENCE VENTURES FUND I, L.P	None	4	-	54,780	-	54,780	
WINTECH MICROELECTRONICS HOLDING LTD.	Common stock	SHANGHAI UQ IOT TECH., INC.	None	2	-	18,054	13.33	18,054	
MILESTONE INVESTMENT CO., LTD.	Common stock	GRAND FORTUNE SECURITIES CO., LTD.	None	3	447,871	5,890	0.11	5,890	
MILESTONE INVESTMENT CO., LTD.	Common stock	GRAND FORTUNE SECURITIES CO., LTD.	None	2	7,140,443	93,897	1.80	93,897	
EXCELPOINT TECHNOLOGY PTE. LTD.	Common stock	IWOW TEACHNOLOGY LTD.	None	2	3,000,000	14,585	1.14	14,585	
PLANETSPARK PTE. LTD.	Preferred stock	MERIDIAN INNOVATION PTE LTD.	None	2	1,662,244	131,765	-	131,765	
PLANETSPARK PTE. LTD.	Convertible bonds	VIVO SURGICAL PRIVATE LIMITED	None	4	-	15,846	-	15,846	

Note : Code of general ledger accounts: 1- Financial assets at fair value through other comprehensive income - current

2- Financial assets at fair value through other comprehensive income - non-current

3- Financial assets at fair value through profit or loss - current

4- Financial assets at fair value through profit or loss - non-current

WT Microelectronics Co., Ltd. and subsidiaries
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
Nine months ended September 30, 2024

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the counterparty	Balance as at January 1, 2024		Addition		Disposal			Balance as at September 30, 2024		
					No. of shares	Amount	No. of shares	Amount	No. of shares	Selling price	Book value	Gain (loss) on disposal	No. of shares	Amount
WT MICROELECTRONICS CO., LTD.	SINO-AMERICAN SILICON PRODUCTS INC.	Note 1	Non related parties	-	5,644,000	\$ 1,106,224	-	\$ -	2,911,000	\$ 654,849	\$ 487,536	\$ 167,313	2,733,000	\$ 483,741
WT MICROELECTRONICS CO., LTD.	ASMEDIA TECHNOLOGY INC.	Note 1	Non related parties	-	9,000,000	16,335,000	-	-	4,500,000	7,875,000	3,312,000	4,563,000	4,500,000	7,267,500
WT MICROELECTRONICS CO., LTD.	FUTURE ELECTRONICS INC.	Note 2	Capital injection	Note 3	-	-	193,800,000	61,916,329	-	-	-	-	193,800,000	63,405,198
MORRIHAN INTERNATIONAL CORP.	FUTURE ELECTRONICS INC.	Note 2	Capital injection	Note 3	-	-	186,200,000	59,488,237	-	-	-	-	186,200,000	60,918,720

Note 1 : General ledger account 'Financial assets at fair value through other comprehensive income', gains (losses) on disposal are directly transferred from other comprehensive income to retained earnings; the balance as at September 30, 2024 includes gains (losses) on valuation.

Note 2 : General ledger account is 'Investments accounted for using equity method', the balance as at September 30, 2024 includes investment profit and adjustments.

Note 3 : The counterparty is the subsidiary of the Company.

WT Microelectronics Co., Ltd. and subsidiaries
Purchases or sales of goods from or to related parties reaching NTS100 million or 20% of paid-in capital or more
Nine months ended September 30, 2024

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Percentage of total purchases (sales)	Credit term	Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount			Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Sales	\$ 85,368,961	26	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	\$ -	-	
WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Sales	263,913	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	-	-	
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	62,704,591	19	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	13,649,482	24	
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	7,137,220	2	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	3,001,523	5	
WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Affiliates	Sales	1,595,843	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	260,396	-	
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	14,474,532	4	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	5,217,805	9	
WT MICROELECTRONICS CO., LTD.	WONCHANG SEMICONDUCTOR CO., LTD.	Affiliates	Sales	198,521	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	13,326	-	
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	Sales	2,726,711	1	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	475,192	-	
WT MICROELECTRONICS CO., LTD.	LEADER'S TECHNOLOGY CO., LTD.	Affiliates	Sales	492,422	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	113,763	-	
WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Purchases	3,472,429	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	(181,324)	-	
WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	Affiliates	Purchases	4,143,641	1	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	(368,876)	-	
WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Affiliates	Purchases	678,374	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	(383,657)	-	
WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Purchases	1,273,050	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	(191,254)	-	
WT MICROELECTRONICS CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Affiliates	Purchases	713,840	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	2,812	-	
NUVISION TECHNOLOGY INC.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	2,430,984	15	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	761,318	19	
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	2,184,113	13	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	259,316	6	
NUVISION TECHNOLOGY INC.	WT SOLOMON QCE LIMITED	Affiliates	Sales	1,128,344	7	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	553,856	14	
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	630,649	4	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	180,238	4	
MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	1,283,157	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	195,460	-	
MORRIHAN INTERNATIONAL CORP.	MORRIHAN SINGAPORE PTE. LTD.	Affiliates	Sales	213,363,146	62	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	5,635,986	17	
MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	533,680	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	263,081	-	
MORRIHAN INTERNATIONAL CORP.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	Sales	206,560	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	41,720	-	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Percentage of total purchases (sales)	Credit term	Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount			Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
MORRIHAN INTERNATIONAL CORP.	ANALOG WORLD CO., LTD.	Affiliates	Sales	\$ 743,145	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	\$ 36,974	-	
TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	422,649	19	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	55,463	8	
MAXTEK TECHNOLOGY CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Sales	113,142	3	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	62,026	15	
WT MICROELECTRONICS (HONG KONG) LIMITED	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	Sales	492,691	1	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	483,032	2	
WT MICROELECTRONICS (HONG KONG) LIMITED	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	2,204,180	3	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	2,177,620	11	
WT MICROELECTRONICS (SHANGHAI) CO., LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	Sales	183,589	2	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	186,264	4	
WT MICROELECTRONICS SINGAPORE PTE. LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	364,256	2	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	360,065	6	
WT MICROELECTRONICS SINGAPORE PTE. LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	Sales	1,291,791	7	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	408,898	6	
WT MICROELECTRONICS SINGAPORE PTE. LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	7,059,760	41	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	2,213,083	35	
WT MICROELECTRONICS SINGAPORE PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD.	Affiliates	Sales	497,105	3	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	-	-	
WT MICROELECTRONICS SINGAPORE PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD.	Affiliates	Purchases	1,722,803	10	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	(620,397)	8	
WINTECH MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	134,003	78	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	-	-	
EXCELPOINT SYSTEMS (H.K.) LIMITED	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	995,541	9	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	251,994	10	
EXCELPOINT SYSTEMS (H.K.) LIMITED	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	163,079	2	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	160,911	6	
EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Affiliates	Sales	278,676	1	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	523,361	21	
FUTURE ELECTRONICS INC.	FUTURE ELECTRONICS DISTRIBUTION CENTER, LP	Affiliates	Sales	13,778,887	21	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	2,905,388	6	Note
FUTURE ELECTRONICS INC.	FUTURE ELECTRONICS DISTRIBUTION CENTER, LP	Affiliates	Purchases	1,159,023	2	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	-	-	Note
FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS AUSTRIA GMBH	Affiliates	Sales	228,084	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	287,190	-	Note
FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS DISTRIBUTION CENTER, LP	Affiliates	Sales	141,446	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	-	-	Note
FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS DEUTSCHLAND GMBH	Affiliates	Sales	1,841,312	3	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	709,352	1	Note
FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS DISTRIBUTION (ISRAEL) LTD.	Affiliates	Sales	246,304	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	194,352	-	Note
FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS SCHWEIZ GMBH	Affiliates	Sales	140,777	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	110,819	-	Note
FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS TURKEY İÇ VE DIŞ TİCARET LİMİTED ŞİRKETİ	Affiliates	Sales	119,171	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	224,368	-	Note
FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS DISTRIBUTION CENTER, LP	Affiliates	Purchases	279,213	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	(169,218)	2	Note
FUTURE ELECTRONICS (HONG KONG) LIMITED	FUTURE ELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	162,949	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	18,265	-	Note
FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	825,712	1	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	445,541	-	Note
FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	4,143,529	6	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	249,971	-	Note

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ELECTRONICS KABUSHIKI KAISHA	Affiliates	Sales	\$ 145,032	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	\$ 133,811	-	Note
FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ELECTRONICS INC.	Affiliates	Sales	222,437	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	160,875	-	Note
FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ADVANCED ELECTRONICS LIMITED	Affiliates	Purchases	1,449,980	2	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	(174,927)	2	Note
FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ELECTRONICS DISTRIBUTION CENTER, LP	Affiliates	Purchases	911,631	1	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	(1,353,011)	12	Note
FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ELECTRONICS LIMITED	Affiliates	Purchases	382,331	1	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	(366,561)	3	Note
FUTURE ELECTRONICS (CDA) LTD.	FUTURE ELECTRONICS DISTRIBUTION CENTER, LP	Affiliates	Purchases	11,536,707	17	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	(859,383)	8	Note

Note: The transactions between FUTURE ELECTRONICS INC. and associates started from the business combination date.

WT Microelectronics Co., Ltd. and subsidiaries
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
September 30, 2024

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2024	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	\$ 13,649,482	6.40	\$ 8,808	Collection after the period	\$ 1,322,283	\$ -
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Affiliates	3,001,523	4.27	-		607,851	-
WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Affiliates	260,396	4.76	-		-	-
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	5,217,805	5.35	-		733,982	-
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	475,192	6.90	-		-	-
WT MICROELECTRONICS CO., LTD.	LEADER'S TECHNOLOGY CO., LTD.	Affiliates	113,763	6.93	-		-	-
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS CO., LTD.	Affiliates	368,876	14.59	-		374,306	-
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	259,316	7.69	7,341	Collection after the period	160,928	-
NUVISION TECHNOLOGY INC.	WT TECHNOLOGY PTE. LTD.	Affiliates	761,318	4.26	-		162,053	-
NUVISION TECHNOLOGY INC.	WT SOLOMON QCE LIMITED	Affiliates	553,856	3.13	-		-	-
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	180,238	5.29	-		47,002	-
MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS CO., LTD.	Affiliates	181,324	3.09	-		-	-
MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	195,460	3.55	1,353	Collection after the period	-	-
MORRIHAN INTERNATIONAL CORP.	MORRIHAN SINGAPORE PTE. LTD.	Affiliates	5,635,986	24.25	63,252	Collection after the period	4,384,571	-
MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	263,081	5.39	-		41,022	-
WT MICROELECTRONICS (HONG KONG) LIMITED	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	483,032	2.72	-		-	-
WT MICROELECTRONICS (HONG KONG) LIMITED	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	2,177,620	2.70	-		-	-
WT MICROELECTRONICS (SHANGHAI) CO., LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	186,264	2.63	-		-	-
TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS CO., LTD.	Affiliates	383,657	2.89	-		65,343	-
MAXTEK TECHNOLOGY CO., LTD.	WT MICROELECTRONICS CO., LTD.	Affiliates	191,254	16.69	-		-	-
WT MICROELECTRONICS SINGAPORE PTE. LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	360,065	2.70	-		-	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2024	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
WT MICROELECTRONICS SINGAPORE PTE. LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	\$ 408,898	8.42	\$ -		\$ 279,635	\$ -
WT MICROELECTRONICS SINGAPORE PTE. LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	2,213,083	8.51	-		780,838	-
EXCELPOINT SYSTEMS (PTE) LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	620,397	7.41	131	Collection after the period	560,063	-
EXCELPOINT SYSTEMS (H.K.) LIMITED	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	251,994	10.54	-		251,989	-
EXCELPOINT SYSTEMS (H.K.) LIMITED	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	160,911	2.70	-		160,911	-
EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Affiliates	523,361	0.61	294,172	Collection after the period	33,156	-
FUTURE ELECTRONICS INC.	FUTURE ELECTRONICS DISTRIBUTION CENTER, LP	Affiliates	2,905,388	12.65	-		-	-
FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS AUSTRIA GMBH	Affiliates	287,190	2.12	-		-	-
FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS DEUTSCHLAND GMBH	Affiliates	709,352	6.92	-		-	-
FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS DISTRIBUTION (ISRAEL) LTD.	Affiliates	194,352	3.38	-		-	-
FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS SCHWEIZ GMBH	Affiliates	110,819	3.39	-		-	-
FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS TURKEY İÇ VE DIŞ TİCARET LİMİTED ŞİRKETİ	Affiliates	224,368	1.42	-		-	-
FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	Affiliates	366,561	2.78	-		-	-
FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	445,541	4.94	-		-	-
FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ELECTRONICS (HONG KONG) LIMITED	Affiliates	249,971	44.20	-		-	-
FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ELECTRONICS KABUSHIKI KAISHA	Affiliates	133,811	2.89	-		-	-
FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ELECTRONICS INC.	Affiliates	160,875	3.69	-		-	-
FUTURE ELECTRONICS DISTRIBUTION CENTER, LP	FUTURE ELECTRONICS LIMITED	Affiliates	169,218	4.40	-		-	-
FUTURE ELECTRONICS DISTRIBUTION CENTER, LP	FUTURE ELECTRONICS (CDA) LTD.	Affiliates	859,383	35.80	-		-	-
FUTURE ELECTRONICS DISTRIBUTION CENTER, LP	FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	Affiliates	1,353,011	1.80	-		-	-
FUTURE ADVANCED ELECTRONICS LIMITED	FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	Affiliates	174,927	22.10	-		-	-

Note: For information on loans between the Company and subsidiaries, refer to table 1.

WT Microelectronics Co., Ltd. and subsidiaries
Significant inter-company transactions during the reporting period
Nine months ended September 30, 2024

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction (Note 4)		Transaction terms	Percentage of total operating revenues or total assets (Note 5)
				General ledger account	Amount		
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Sales	\$ 85,368,961	(Note 3)	12
0	WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Sales	263,913	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	62,704,591	(Note 3)	9
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	13,649,482	(Note 3)	3
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	7,137,220	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Affiliates	Accounts receivable	3,001,523	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Affiliates	Sales	1,595,843	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Affiliates	Accounts receivable	260,396	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	14,474,532	(Note 3)	2
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Accounts receivable	5,217,805	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WONCHANG SEMICONDUCTOR CO., LTD.	Affiliates	Sales	198,521	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	Sales	2,726,711	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	Accounts receivable	475,192	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	LEADER'S TECHNOLOGY CO., LTD.	Affiliates	Sales	492,422	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	LEADER'S TECHNOLOGY CO., LTD.	Affiliates	Accounts receivable	113,763	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Purchases	3,472,429	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Accounts payable	181,324	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	Affiliates	Purchases	4,143,641	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	Affiliates	Accounts payable	368,876	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Affiliates	Purchases	678,374	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Affiliates	Accounts payable	383,657	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Purchases	1,273,050	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Accounts payable	191,254	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Affiliates	Purchases	713,840	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	2,430,984	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT TECHNOLOGY PTE. LTD.	Affiliates	Accounts receivable	761,318	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	2,184,113	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	259,316	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT SOLOMON QCE LIMITED	Affiliates	Sales	1,128,344	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT SOLOMON QCE LIMITED	Affiliates	Accounts receivable	553,856	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	630,649	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Accounts receivable	180,238	(Note 3)	-

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction (Note 4)		Transaction terms	Percentage of total operating revenues or total assets (Note 5)
				General ledger account	Amount		
2	MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	\$ 1,283,157	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	195,460	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	MORRIHAN SINGAPORE PTE. LTD.	Affiliates	Sales	213,363,146	(Note 3)	31
2	MORRIHAN INTERNATIONAL CORP.	MORRIHAN SINGAPORE PTE. LTD.	Affiliates	Accounts receivable	5,635,986	(Note 3)	1
2	MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	533,680	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Accounts receivable	263,081	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	Sales	206,560	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	ANALOG WORLD CO., LTD.	Affiliates	Sales	743,145	(Note 3)	-
3	TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	422,649	(Note 3)	-
4	MAXTEK TECHNOLOGY CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Sales	113,142	(Note 3)	-
5	WT MICROELECTRONICS (HONG KONG) LIMITED	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	Sales	492,691	(Note 3)	-
5	WT MICROELECTRONICS (HONG KONG) LIMITED	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	Accounts receivable	483,032	(Note 3)	-
5	WT MICROELECTRONICS (HONG KONG) LIMITED	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	2,204,180	(Note 3)	-
5	WT MICROELECTRONICS (HONG KONG) LIMITED	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Accounts receivable	2,177,620	(Note 3)	1
6	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	Sales	183,589	(Note 3)	-
6	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	Accounts receivable	186,264	(Note 3)	-
7	WT MICROELECTRONICS SINGAPORE PTE. LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	364,256	(Note 3)	-
7	WT MICROELECTRONICS SINGAPORE PTE. LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	360,065	(Note 3)	-
7	WT MICROELECTRONICS SINGAPORE PTE. LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	Sales	1,291,791	(Note 3)	-
7	WT MICROELECTRONICS SINGAPORE PTE. LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	Accounts receivable	408,898	(Note 3)	-
7	WT MICROELECTRONICS SINGAPORE PTE. LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	7,059,760	(Note 3)	1
7	WT MICROELECTRONICS SINGAPORE PTE. LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Accounts receivable	2,213,083	(Note 3)	1
7	WT MICROELECTRONICS SINGAPORE PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD.	Affiliates	Sales	497,105	(Note 3)	-
7	WT MICROELECTRONICS SINGAPORE PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD.	Affiliates	Purchases	1,722,803	(Note 3)	-
7	WT MICROELECTRONICS SINGAPORE PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD.	Affiliates	Accounts payable	620,397	(Note 3)	-
8	WINTech MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	134,003	(Note 3)	-
9	EXCELPOINT SYSTEMS (H.K.) LIMITED	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	995,541	(Note 3)	-
9	EXCELPOINT SYSTEMS (H.K.) LIMITED	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	251,994	(Note 3)	-

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction (Note 4)		Transaction terms	Percentage of total operating revenues or total assets (Note 5)
				General ledger account	Amount		
9	EXCELPOINT SYSTEMS (H.K.) LIMITED	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	\$ 163,079	(Note 3)	-
9	EXCELPOINT SYSTEMS (H.K.) LIMITED	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Accounts receivable	160,911	(Note 3)	-
9	EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Affiliates	Sales	278,676	(Note 3)	-
9	EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Affiliates	Accounts receivable	523,361	(Note 3)	-
10	FUTURE ELECTRONICS INC.	FUTURE ELECTRONICS DISTRIBUTION CENTER, LP	Affiliates	Sales	13,778,887	(Note 3)	2
10	FUTURE ELECTRONICS INC.	FUTURE ELECTRONICS DISTRIBUTION CENTER, LP	Affiliates	Accounts receivable	2,905,388	(Note 3)	1
11	FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS AUSTRIA GMBH	Affiliates	Sales	228,084	(Note 3)	-
11	FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS AUSTRIA GMBH	Affiliates	Accounts receivable	287,190	(Note 3)	-
11	FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS DISTRIBUTION CENTER, LP	Affiliates	Sales	141,446	(Note 3)	-
11	FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS DISTRIBUTION CENTER, LP	Affiliates	Accounts payable	169,218	(Note 3)	-
11	FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS DEUTSCHLAND GMBH	Affiliates	Sales	1,841,312	(Note 3)	-
11	FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS DEUTSCHLAND GMBH	Affiliates	Accounts receivable	709,352	(Note 3)	-
11	FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS DISTRIBUTION (ISRAEL) LTD.	Affiliates	Sales	246,304	(Note 3)	-
11	FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS DISTRIBUTION (ISRAEL) LTD.	Affiliates	Accounts receivable	194,352	(Note 3)	-
11	FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS SCHWEIZ GMBH	Affiliates	Sales	140,777	(Note 3)	-
11	FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS SCHWEIZ GMBH	Affiliates	Accounts receivable	110,819	(Note 3)	-
11	FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS TURKEY İÇ VE DIŞ TİCARET LİMİTED ŞİRKETİ	Affiliates	Sales	119,171	(Note 3)	-
11	FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS TURKEY İÇ VE DIŞ TİCARET LİMİTED ŞİRKETİ	Affiliates	Accounts receivable	224,368	(Note 3)	-
12	FUTURE ELECTRONICS (HONG KONG) LIMITED	FUTURE ELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	162,949	(Note 3)	-
13	FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	825,712	(Note 3)	-
13	FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Accounts receivable	445,541	(Note 3)	-
13	FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	4,143,529	(Note 3)	1
13	FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	249,971	(Note 3)	-
13	FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ELECTRONICS KABUSHIKI KAISHA	Affiliates	Sales	145,032	(Note 3)	-
13	FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ELECTRONICS KABUSHIKI KAISHA	Affiliates	Accounts receivable	133,811	(Note 3)	-
13	FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ELECTRONICS INC.	Affiliates	Sales	222,437	(Note 3)	-
13	FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ELECTRONICS INC.	Affiliates	Accounts receivable	160,875	(Note 3)	-
10	FUTURE ELECTRONICS INC.	FUTURE ELECTRONICS DISTRIBUTION CENTER, LP	Affiliates	Purchases	1,159,023	(Note 3)	-
11	FUTURE ELECTRONICS LIMITED	FUTURE ELECTRONICS DISTRIBUTION CENTER, LP	Affiliates	Purchases	279,213	(Note 3)	-
13	FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ADVANCED ELECTRONICS LIMITED	Affiliates	Purchases	1,449,980	(Note 3)	-
13	FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ADVANCED ELECTRONICS LIMITED	Affiliates	Accounts payable	174,927	(Note 3)	-

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction (Note 4)		Transaction terms	Percentage of total operating revenues or total assets (Note 5)
				General ledger account	Amount		
13	FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ELECTRONICS DISTRIBUTION CENTER, LP	Affiliates	Purchases	\$ 911,631	(Note 3)	-
13	FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ELECTRONICS DISTRIBUTION CENTER, LP	Affiliates	Accounts payable	1,353,011	(Note 3)	-
13	FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ELECTRONICS LIMITED	Affiliates	Purchases	382,331	(Note 3)	-
13	FUTURE ELECTRONICS INC. (DISTRIBUTION) PTE LTD.	FUTURE ELECTRONICS LIMITED	Affiliates	Accounts payable	366,561	(Note 3)	-
14	FUTURE ELECTRONICS (CDA) LTD.	FUTURE ELECTRONICS DISTRIBUTION CENTER, LP	Affiliates	Purchases	11,536,707	(Note 3)	2
14	FUTURE ELECTRONICS (CDA) LTD.	FUTURE ELECTRONICS DISTRIBUTION CENTER, LP	Affiliates	Accounts payable	859,383	(Note 3)	-

Note 1: The information of transactions between the Company and the consolidated subsidiaries should be noted in "Number" column.

(1) Number 0 represents the Company.

(2) The consolidated subsidiaries are numbered in order from number 1.

Note 2: The transaction relationships with the counterparties are as follows:

(1) The Company to the consolidated subsidiary.

(2) The consolidated subsidiary to the Company.

(3) The consolidated subsidiary to another consolidated subsidiary.

Note 3: The prices and terms to related parties were similar to third parties. The credit term is 90 days after the end of each month.

Note 4: For sales, purchases and accounts receivable, transactions reaching NT\$100 million or 20% of paid-in capital or more should be disclosed.

Note 5: In calculating the ratio, the transaction amount is divided by consolidated total assets for balance sheet accounts and is divided by consolidated total revenues for income statement accounts.

Note 6: Information of loans between the Company and subsidiaries, please refer to table 1.

WT Microelectronics Co., Ltd. and subsidiaries

Names, locations and other information of investee companies (not including investees in Mainland China)

Nine months ended September 30, 2024

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2024			Net profit (loss) of the investee for the nine months ended September 30, 2024	Investment income (loss) recognised by the Company for the nine months ended September 30, 2024	Footnote
				Balance at September 30, 2024	Balance at December 31, 2023	Number of shares	Ownership (%)	Book value			
WT MICROELECTRONICS CO., LTD.	WINTech MICROELECTRONICS HOLDING LIMITED	British Virgin Islands	Holding company	\$ 2,581,979	\$ 2,520,875	79,031,160	100.00	\$ 10,770,750	\$ 139,460	\$ 139,460	Subsidiary
WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Taiwan	Sales of electronic components	1,781,829	1,781,829	73,949,070	100.00	3,043,451	907,725	907,725	Subsidiary
WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Taiwan	Sales of electronic components	15,106,620	15,106,620	523,760,000	100.00	17,048,074	1,823,151	1,823,151	Subsidiary
WT MICROELECTRONICS CO., LTD.	BSI SEMICONDUCTOR PTE. LTD.	Singapore	Holding company	486,289	486,289	7,544,002	100.00	848,368	2	2	Subsidiary
WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	Taiwan	Sales of electronic components	323,751	323,751	28,227,197	100.00	1,299,483	325,052	325,052	Subsidiary
WT MICROELECTRONICS CO., LTD.	MILESTONE INVESTMENT CO., LTD.	Taiwan	General investment	61,985	61,985	4,500,000	100.00	121,346	10,227	10,227	Subsidiary
WT MICROELECTRONICS CO., LTD.	SINYIE INVESTMENT CO., LTD.	Taiwan	General investment	52,000	52,000	2,900,000	100.00	36,532	(14)	(14)	Subsidiary
WT MICROELECTRONICS CO., LTD.	MSD HOLDINGS PTE. LTD.	Singapore	Sales of electronic components	215,559	215,559	200,001	100.00	244,618	1,044	1,044	Subsidiary
WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Taiwan	Sales of electronic components	1,895,949	1,895,949	70,220,331	100.00	1,793,665	163,548	163,548	Subsidiary
WT MICROELECTRONICS CO., LTD.	ANALOG WORLD CO., LTD.	South Korea	Sales of electronic components	397,230	397,230	120,000	100.00	494,358	(453)	(6,632)	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT SEMICONDUCTOR HOLDINGS PTE. LTD.	Singapore	Holding company	4,057,274	4,057,274	96,318,912	80.00	3,862,312	(294,466)	(235,573)	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY (H.K.) LIMITED	Hong Kong	Sales of electronic components	4,808	4,808	1,000,000	100.00	4,947	(65)	(65)	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Hong Kong	Sales of electronic components	402,761	402,761	12,527,632	100.00	1,044,142	414,577	414,577	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Hong Kong	Sales of electronic components	451,386	451,386	110,000,000	100.00	560,579	30,118	30,118	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Singapore	Sales of electronic components	128,849	128,849	1,500,000	100.00	660,038	300,177	300,177	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Singapore	Sales of electronic components	156,727	156,727	5,000,000	100.00	161,824	103	103	Subsidiary
WT MICROELECTRONICS CO., LTD.	FUTURE ELECTRONICS INC.	Canada	Sales of electronic components	61,415,220	-	51	51.00	62,749,148	2,549,404	1,300,196	Subsidiary
WINTech MICROELECTRONICS HOLDING LIMITED	PROMISING INVESTMENT LIMITED	Mauritius	General investment	970,744	970,744	30,632,506	100.00	786,071	(82,398)	Note 1	Subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2024			Net profit (loss) of the investee for the nine months ended September 30, 2024	Investment income (loss) recognised by the Company for the nine months ended September 30, 2024	Footnote
				Balance at September 30, 2024	Balance at December 31, 2023	Number of shares	Ownership				
							(%)	Book value			
WINTECH MICROELECTRONICS HOLDING LIMITED	WINTECH INVESTMENT CO., LTD.	Belize	General investment	\$ 666,154	\$ 666,154	21,020,957	100.00	\$ 1,112,533	\$ 24,227	Note 1	Subsidiary
WINTECH MICROELECTRONICS HOLDING LIMITED	WINTECH MICROELECTRONICS LTD.	Belize	Sales of electronic components	95,073	95,073	3,000,100	100.00	(494,858)	(163,474)	Note 1	Subsidiary
WINTECH MICROELECTRONICS HOLDING LIMITED	JCD OPTICAL (CAYMAN) CO., LTD.	Cayman Islands	Holding company	75,229	75,229	5,869,093	16.94	17,726	(29,323)	Note 1	Associates
WINTECH MICROELECTRONICS HOLDING LIMITED	JOY CAPITAL LTD.	Seychelles	General investment	38,028	38,028	1,200,000	17.65	11,443	(2,178)	Note 1	Associates
WINTECH MICROELECTRONICS HOLDING LIMITED	RAINBOW STAR GROUP LIMITED	British Virgin Islands	General investment	31,690	31,690	18,924	24.65	899	(68,688)	Note 1	Associates
PROMISING INVESTMENT LIMITED	NINO CAPITAL CO., LTD.	Samoa	Holding company	9,856	9,856	311,000	100.00	36,705	1,513	Note 1	Subsidiary
PROMISING INVESTMENT LIMITED	RICH WEB LTD.	British Virgin Islands	Holding company	728,060	728,060	22,974,430	100.00	661,074	(83,767)	Note 1	Subsidiary
WINTECH INVESTMENT CO., LTD.	WT MICROELECTRONICS (MALAYSIA) SDN. BHD.	Malaysia	Sales of electronic components	3,847	3,847	500,000	100.00	2,659	(40)	Note 1	Subsidiary
WINTECH INVESTMENT CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	South Korea	Sales of electronic components	576,977	576,977	3,800,000	95.47	999,011	13,310	Note 1	Subsidiary
ANALOG WORLD CO., LTD.	LEADER'S TECHNOLOGY CO., LTD.	South Korea	Sales of electronic components	212,215	212,215	10,000	100.00	233,758	7,285	Note 1	Subsidiary
WT MICROELECTRONICS SINGAPORE PTE. LTD.	BRILLNICS INC.	Cayman Islands	Holding company	1,234,769	1,234,769	49,336,630	60.43	92,182	212,314	Note 1	Subsidiary
WT MICROELECTRONICS SINGAPORE PTE. LTD.	WT MICROELECTRONICS (THAILAND) LIMITED.	Thailand	Sales of electronic components	2,932	2,932	300,000	100.00	2,219	152	Note 1	Subsidiary
WT MICROELECTRONICS SINGAPORE PTE. LTD.	WT MICROELECTRONICS INDIA PRIVATE LIMITED	India	Sales of electronic components	2,720	2,720	700,000	100.00	1,261	(451)	Note 1	Subsidiary
MORRIHAN INTERNATIONAL CORP.	ASIA LATEST TECHNOLOGY LIMITED	Mauritius	Holding company	37,771	37,771	1,120,000	100.00	45,517	(133)	Note 1	Subsidiary
MORRIHAN INTERNATIONAL CORP.	FUTURE ELECTRONICS INC.	Canada	Sales of electronic components	59,006,780	-	49	49.00	60,288,397	2,549,404	Note 2	Subsidiary
BSI SEMICONDUCTOR PTE. LTD.	WT TECHNOLOGY KOREA CO., LTD.	South Korea	Sales of electronic components	54,967	54,967	180,472	4.53	29,551	13,310	Note 1	Subsidiary
BSI SEMICONDUCTOR PTE. LTD.	WONCHANG SEMICONDUCTOR CO., LTD.	South Korea	Sales of electronic components	24,854	24,854	53,505	100.00	219,450	(9,231)	Note 1	Subsidiary
TECHMOSA INTERNATIONAL INC.	MORRIHAN SINGAPORE PTE. LTD.	Singapore	Sales of electronic components	210,451	210,451	7,000,000	100.00	3,041,099	894,169	Note 1	Subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2024			Net profit (loss) of the investee for the nine months ended September 30, 2024	Investment income (loss) recognised by the Company for the nine months ended September 30, 2024	Footnote
				Balance at September 30, 2024	Balance at December 31, 2023	Number of shares	Ownership (%)	Book value			
MAXTEK TECHNOLOGY CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Taiwan	Sales of electronic components	\$ 115,000	\$ 115,000	11,500,000	100.00	\$ 232,301	\$ 2,301	Note 1	Subsidiary
MAXTEK TECHNOLOGY CO., LTD.	LACEWOOD INTERNATIONAL CORP.	British Virgin Islands	Sales of electronic components	194,366	194,366	29,500	100.00	102,623	3,968	Note 1	Subsidiary
BRILLNICS INC.	BRILLNICS (HK) LIMITED	Hong Kong	Selling and technology servicing	2,028,572	2,028,572	64,013,000	100.00	412,318	223,620	Note 1	Subsidiary
BRILLNICS INC.	BRILLNICS SINGAPORE PTE. LTD.	Singapore	Manufacture of electronic components	23,768	23,768	750,002	100.00	-	(9,366)	Note 1	Subsidiary
BRILLNICS (HK) LIMITED	BRILLNICS JAPAN INC.	Japan	Research and development company	22,130	22,130	100,000	100.00	32,372	6,669	Note 1	Subsidiary
BRILLNICS (HK) LIMITED	BRILLNICS (TAIWAN) INC.	Taiwan	Research and development company	16,694	16,694	1,669,410	100.00	43,803	6,519	Note 1	Subsidiary
WT SEMICONDUCTOR HOLDINGDS PTE. LTD.	EXCELPOINT TECHNOLOGY PTE. LTD.	Singapore	Holding company	5,252,269	5,252,269	120,398,640	100.00	4,828,171	(268,766)	Note 2	Subsidiary

Note 1: Profit (loss) of investee has been included in the investor, and will not be disclosed separately.

Note 2: Because the foreign holding investee companies prepare consolidated financial statements only, which the Company has significant influence or control, directly or indirectly, is only disclosed to the level of the holding company.

WT Microelectronics Co., Ltd. and subsidiaries

Information on investments in Mainland China

Nine months ended September 30, 2024

Table 9

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine months ended September 30, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2024	Net income of investee for the nine months ended September 30, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2024 (Note 2)	Book value of investment in Mainland China as of September 30, 2024	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2024	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
SHANGHAI WT MICROELECTRONICS CO., LTD.	International trade, entrepot trade and etc.	\$ 9,507	2	\$ 9,507	\$ -	\$ -	\$ 9,507	\$ 1,514	100.00	\$ 1,514	\$ 36,627	\$ -	Note 5
WT MICROELECTRONICS (SHENZHEN) CO., LTD.	International trade, entrepot trade and etc.	724,994	2	666,384	-	-	666,384	(83,767)	100.00	(83,767)	660,963	-	Note 6
WT MICROELECTRONICS (SHANGHAI) CO., LTD.	International trade	1,113,904	2	606,864	-	-	606,864	173,850	100.00	173,850	1,959,819	-	Note 7
WT MICROELECTRONICS (SHANGHAI) TECHNOLOGY CO., LTD.	Technical service, international trade, entrepot trade and etc.	42,148	3	31,690	-	-	31,690	(134)	100.00	(134)	45,508	-	Note 4
JCD OPTICAL CORPORATION	Production and sales of optoelectronic materials and components	161,619	2	21,043	-	-	21,043	(23,619)	16.94	(4,001)	10,651	-	Note 8
SYNERGY ELECTRONICS (SHENZHEN) CO., LTD.	International trade, entrepot trade and etc.	8,146	2	-	-	-	-	8,868	80.00	7,094	(297,289)	-	Note 9
EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	International trade, entrepot trade and etc.	47,535	2	-	-	-	(6,168)	80.00	(4,934)	(251,891)	-	-	Note 9
FUTURE ELECTRONICS (SHANGHAI) CO., LTD.	International trade, entrepot trade and etc.	76,056	2	-	-	-	-	4,998	100.00	4,998	58,833	-	Note 10
Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2024	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 3)									
WT MICROELECTRONICS CO., LTD.	\$ 1,335,488	\$ 4,284,174		\$ 55,978,278									

Note 1: The investment methods are classified into the following six categories:

- (1) Directly investing in Mainland China.
- (2) Through investing in companies in the third area, which then invested in the investee in Mainland China.
- (3) Others.

Note 2: Investment gains or losses were recognised based on reviewed financial statements.

Note 3: The amount disclosed was 60% of net assets and based on Investment Commission, MOEA Regulation No. 09704604680 announced on August 29, 2008.

Note 4: This is a China subsidiary which was reinvested through the company in the third area when MORRIHAN INTERNATIONAL CORP. was acquired in September 2009.

Note 5: This is a China company which was invested through the company, NINO CAPITAL CO., LTD., in the third area.

Note 6: This is a China company which was invested through the company, RICH WEB LTD., in the third area.

Note 7: This is a China company which was reinvested through the company, WINTECH MICROELECTRONICS HOLDING LIMITED, in the third area.

Note 8: This is a China company which was reinvested through the company, JCD OPTICAL (CAYMAN) CO., LTD., in the third area.

Note 9: This is a China company which was reinvested through the company, EXCELPOINT SYSTEMS (H.K.) LIMITED, in the third area.

Note 10: This is a China subsidiary which was reinvested through the company in the third area when FUTURE ELECTRONICS INC. was acquired in April 2024.

WT Microelectronics Co., Ltd. and subsidiaries

Major shareholders information

September 30, 2024

Table 10

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
ASMEDIA TECHNOLOGY INC.	196,720,421	15.71%
WPG HOLDINGS LIMITED	177,371,338	14.17%
SHAO YANG INVESTMENT CO., LTD.	86,262,066	6.89%

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preferred stock in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialised form because of a different calculation basis.

Note 2: If the aforementioned data contains shares which were held in trust by the shareholders, the data disclosed is the settlor's separate account for the fund set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shares include the self-owned shares and shares held in trust, and at the same time, the shareholder has the power to decide how to allocate the trust assets. The information on the reported share equity of insider is provided in the "Market Observation Post System".

Note 3: As of September 30, 2024, the number of shares held by the chairman under his own name and under the names of others was 136,427,553 shares, and the shareholding ratio was 10.90%. The abovementioned information is provided in the "Market Observation Post System".