

English Translation of Financial Statements and a Report Originally Issued in Chinese

Ticker: 3189

Kinsus Interconnect Technology Corp. and Subsidiaries
Consolidated Financial Statements
With Review Report of Independent Auditors
As of September 30, 2024 and 2023
And For The Nine-month Periods Then Ended

Address: No. 1245, Chung Hua Rd., Hsinwu District, Taoyuan City, Taiwan 32747
Telephone: (03)487-1919

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

English Translation of Financial Statements and a Report Originally Issued in Chinese

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REVIEW REPORT OF INDEPENDENT AUDITORS

To The Board of Directors of
Kinsus Interconnect Technology Corp.

Introduction

We have reviewed the accompanying consolidated balance sheets of Kinsus Interconnect Technology Corp. (the “Company”) and its subsidiaries as of September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, the related consolidated statements of changes in equity and cash flows for the nine-month periods then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”). 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” as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, 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 conducted in accordance with the Standards on Auditing of the Republic of China 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.

(To be continued)

(Continued)

Basis for Qualified Conclusion

As explained in Note 6(8), the financial statements of the associate and joint venture accounted for under the equity method was not reviewed by independent auditors. The carrying values of the associate and joint venture under equity method amounted to NT\$393,051 thousand and NT\$387,439 thousand as of September 30, 2024 and 2023, respectively. The related shares of profits from the associate and joint venture under the equity method amounted to NT\$1,533 thousand, NT\$(6,576) thousand, NT\$4,276 thousand and NT\$(13,722) thousand for the three-month and nine-month periods ended September 30, 2024 and 2023, respectively. The related shares of other comprehensive income from the associate and joint venture under the equity method amounted to NT\$0, NT\$10,229 thousand, NT\$0 and NT\$20,038 thousand for the three-month and nine-month periods ended September 30, 2024 and 2023, respectively.

Qualified Conclusion

Based on our reviews and the review reports of the other independent auditors (please refer to the Other Matter paragraph of our report), except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of the associate and joint venture accounted for using equity method been reviewed by independent auditors described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of September 30, 2024 and 2023, and their consolidated financial performance for the three-month and nine-month periods then ended and cash flows for the nine-month periods then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

(To be continued)

(Continued)

Other Matter – Making Reference to the Review of Other Independent Auditors

We did not audit the financial statements for the nine-month period ended September 30, 2023 of certain invested associates accounted for using the equity method by the Group. The financial statements of certain invested associates as of September 30, 2023 and for the three-month and the nine-month periods then ended September 30, 2023, were reviewed by other auditor, whose report thereon has been furnished to us. Our review, insofar as it related to the investment in the associate accounted for using the equity method amounted to NT\$49,966 thousand as of September 30, 2023, the related shares of profit or loss of associates and joint ventures accounted for using the equity method for the three-month and the nine-month periods then ended both amounting to NT\$(34) thousand, and the related shares of other comprehensive income of associates and joint ventures accounted for using the equity method for the three-month and the nine-month periods then ended both amounting to NT\$0.

/s/Chang, Chih Ming

/s/Chen, Kuo Shuai

Ernst & Young, Taiwan

October 28th, 2024

Notices to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent accountants 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. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Consolidated Balance Sheets

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

(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			As of September 30, 2024		As of December 31, 2023		As of September 30, 2023	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	6(1)	\$13,764,572	18	\$15,700,767	20	\$17,377,018	23
1110	Financial assets at fair value through profit or loss	6(2)	2,142,648	3	3,194,224	4	1,342,200	2
1136	Financial assets carried at amortized cost	6(3)	1,025,126	1	2,118,426	3	2,097,469	3
1150	Notes receivable, net	6(5)	4,777	-	4,760	-	5,652	-
1170	Accounts receivable, net	6(6)	5,068,068	7	4,293,765	6	3,731,727	5
1180	Accounts receivable - related parties, net	6(6), 7	-	-	367	-	161	-
1200	Other receivables		121,581	-	140,790	-	310,927	-
1210	Other receivables-related parties	7	6,975	-	-	-	-	-
1310	Inventories, net	6(7)	3,142,001	4	2,611,682	3	2,694,392	3
1410	Prepayments	7	1,037,367	1	1,036,628	1	1,199,946	2
1470	Other current assets		250,293	-	267,514	-	228,637	-
11xx	Total current assets		26,563,408	34	29,368,923	37	28,988,129	38
	Non-current assets							
1517	Financial assets at fair value through OCI	6(4)	51,000	-	51,000	-	51,000	-
1550	Investment accounted for under equity method	6(8)	442,551	1	438,318	1	437,405	1
1600	Property, plant and equipment, net	6(9), 7, 8, 9	37,707,826	47	31,623,152	41	31,428,328	41
1755	Right-of-use asset	6(23), 7	532,734	1	420,903	1	449,151	1
1780	Intangible assets	6(10)	41,586	-	41,844	-	40,140	-
1840	Deferred income tax assets	4	88,286	-	47,983	-	41,815	-
1900	Other non-current assets	6(11), 7, 8, 9	95,062	-	263,033	-	193,271	-
1915	Prepayment for acquiring machinery	6(9), 9	13,333,159	17	15,811,883	20	14,768,202	19
15xx	Total non-current assets		52,292,204	66	48,698,116	63	47,409,312	62
1xxx	Total Assets		\$78,855,612	100	\$78,067,039	100	\$76,397,441	100

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Consolidated Balance Sheets-(Continued)

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

(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			As of September 30, 2024		As of December 31, 2023		As of September 30, 2023	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
	Current liabilities							
2100	Short-term loans	6(12)	\$2,816,775	3	\$1,408,619	2	\$971,441	1
2130	Contract liability	6(21)	1,123,443	1	1,072,455	1	132,638	-
2150	Notes payable		31,006	-	47,253	-	17,122	-
2170	Accounts payable		2,439,163	4	2,053,559	3	1,841,469	3
2200	Other payables	6(13), 7	5,290,520	7	6,356,260	8	5,300,665	7
2230	Current income tax liabilities	4	810,198	1	971,330	1	973,580	1
2280	Lease liability	6(23), 7	32,736	-	133,272	-	131,531	-
2300	Other current liabilities	6(14)	2,780,814	4	1,963,440	3	1,754,651	3
2365	Refund liability	6(15)	252,654	-	252,687	-	231,692	-
21xx	Total current liabilities		15,577,309	20	14,258,875	18	11,354,789	15
	Non-current liabilities							
2527	Contract liability	6(21)	3,275,491	4	3,912,317	5	5,393,959	7
2540	Long-term loans	6(16), 8	14,718,938	19	15,280,296	20	15,686,667	21
2570	Deferred income tax liabilities	4	75,764	-	65,368	-	61,394	-
2580	Lease liability	6(23), 7	77,070	-	140,048	-	162,046	-
2600	Other non-current liabilities	6(17)	5,351,830	7	5,251,009	7	5,208,890	7
25xx	Total non-current liabilities		23,499,093	30	24,649,038	32	26,512,956	35
2xxx	Total liabilities		39,076,402	50	38,907,913	50	37,867,745	50
31xx	Equity attributable to shareholders of the parent							
3100	Capital	6(19)						
3110	Common stock		4,566,591	6	4,544,231	6	4,544,671	6
3200	Capital surplus	6(19)	7,364,731	9	7,153,073	9	7,156,024	9
3300	Retained earnings	6(19)						
3310	Legal reserve		4,792,531	6	4,789,190	6	4,789,190	6
3320	Special reserve		195,240	-	147,938	-	147,938	-
3350	Unappropriated earnings		15,063,876	19	15,270,310	20	14,921,443	20
3400	Other components of equity		(138,450)	-	(209,853)	-	(106,165)	-
36xx	Non-controlling interests	6(19)	7,934,691	10	7,464,237	9	7,076,595	9
3xxx	Total equity		39,779,210	50	39,159,126	50	38,529,696	50
	Total liabilities and equity		\$78,855,612	100	\$78,067,039	100	\$76,397,441	100

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
Kinsus Interconnect Technology Corp. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the three-month and nine-month periods ended September 30, 2024 and 2023
(Amounts Expressed In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	For the three-month period ended September 30,				For the nine-month period ended September 30,			
			2024		2023		2024		2023	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenues	6(21), 7	\$8,197,120	100	\$6,046,171	100	\$22,491,986	100	\$19,342,724	100
5000	Operating costs	6(7)	(5,789,599)	(71)	(4,680,833)	(77)	(16,070,603)	(71)	(14,897,002)	(77)
5900	Gross profit		2,407,521	29	1,365,338	23	6,421,383	29	4,445,722	23
6000	Operating expenses	7								
6100	Sales and marketing		(218,728)	(3)	(202,050)	(3)	(659,618)	(3)	(602,023)	(3)
6200	General and administrative		(1,077,606)	(13)	(687,528)	(11)	(2,880,132)	(13)	(1,831,850)	(10)
6300	Research and development		(689,198)	(8)	(599,020)	(10)	(1,838,029)	(8)	(1,738,054)	(9)
6450	Expected credit gains (losses)	6(22)	143	-	(16,806)	-	55,109	-	(16,243)	-
	Total operating expenses		(1,985,389)	(24)	(1,505,404)	(24)	(5,322,670)	(24)	(4,188,170)	(22)
6900	Operating income (losses)		422,132	5	(140,066)	(1)	1,098,713	5	257,552	1
7000	Non-operating incomes and expenses									
7100	Interest income	6(25)	122,550	1	145,633	2	404,805	2	358,794	2
7010	Other incomes	6(25), 7	50,934	1	45,170	1	156,530	1	99,153	1
7020	Other gains and losses	6(25)	67,850	1	27,027	-	126,865	-	82,303	-
7050	Finance costs	6(25), 7	(102,446)	(1)	(93,692)	(2)	(289,682)	(1)	(242,880)	(1)
7060	Share of profit or loss of associates and joint ventures	6(8)	1,420	-	(6,610)	-	4,174	-	(13,756)	-
	Total non-operating incomes and expenses		140,308	2	117,528	1	402,692	2	283,614	2
7900	Income (losses) before income tax		562,440	7	(22,538)	-	1,501,405	7	541,166	3
7950	Income tax expense	4, 6(27)	(74,391)	(1)	(69,762)	(1)	(199,342)	(1)	(150,803)	(1)
8200	Net income (losses)		488,049	6	(92,300)	(1)	1,302,063	6	390,363	2
8300	Other comprehensive income (loss)	6(26)								
8360	Items that may be reclassified subsequently to profit or loss									
8361	Exchange differences on translation of foreign operations		(27,672)	-	129,663	2	138,820	-	35,896	-
8370	Share of the other comprehensive profit or loss of joint ventures		-	-	10,229	-	-	-	20,038	-
8399	Income tax related to items that may be reclassified to profit or loss		(16)	-	-	-	(58)	-	-	-
	Total other comprehensive income (loss), net of tax		(27,688)	-	139,892	2	138,762	-	55,934	-
8500	Total comprehensive income		\$460,361	6	\$47,592	1	\$1,440,825	6	\$446,297	2
8600	Net income (losses) attributable to:									
8610	Shareholders of the parent		\$185,268	2	\$(343,033)	(5)	\$298,327	1	\$(315,868)	(2)
8620	Non-controlling interests		302,781	4	250,733	4	1,003,736	5	706,231	4
			\$488,049	6	\$(92,300)	(1)	\$1,302,063	6	\$390,363	2
8700	Comprehensive income attributable to:									
8710	Shareholders of the parent		\$160,793	2	\$(207,167)	(3)	\$413,426	2	\$(252,903)	(1)
8720	Non-controlling interests		299,568	4	254,759	4	1,027,399	4	699,200	3
			\$460,361	6	\$47,592	1	\$1,440,825	6	\$446,297	2
9750	Basic earning (losses) per share (in NT\$)	6(28)	\$0.41		\$(0.76)		\$0.66		\$(0.70)	
9850	Diluted earning (losses) per share (in NT\$)	6(28)	\$0.41		\$(0.76)		\$0.66		\$(0.70)	

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Consolidated Statements of Changes in Equity

For the nine-month periods ended September, 2024 and 2023

(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	Equity Attributable to Shareholders of the Parent								Non-controlling Interests	Total Equity
		Common Stock	Capital Surplus	Retained Earnings			Others		Total		
				Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations	Unearned Employee Benefit			
3100	3200	3310	3320	3350	3410	3490	31XX	36XX	3XXX		
A1	Balance as of January 1, 2023	\$4,527,711	\$6,860,826	\$4,087,701	\$203,108	\$18,826,225	\$(147,938)	\$(35,933)	\$34,321,700	\$4,494,193	\$38,815,893
	Appropriation and distribution of 2022 earnings										
B1	Legal reserve			701,489		(701,489)			-		-
B3	Special reserve				(55,170)	55,170			-		-
B5	Cash dividends-common shares					(2,943,012)			(2,943,012)		(2,943,012)
D1	Net income for the six-month period ended September 30, 2023					(315,868)			(315,868)	706,231	390,363
D3	Other comprehensive income (loss), net of tax, for the nine-month period ended September 30, 2023						62,965		62,965	(7,031)	55,934
D5	Total comprehensive income	-	-	-	-	(315,868)	62,965	-	(252,903)	699,200	446,297
M7	Changes in ownership interests in subsidiaries		133,656						133,656	(75,126)	58,530
O1	Non-controlling interests increase (decrease)									1,958,328	1,958,328
T1	Employee restricted shares for cancellation and others	16,960	161,542			417		14,741	193,660		193,660
Z1	Balance as of September 30, 2023	\$4,544,671	\$7,156,024	\$4,789,190	\$147,938	\$14,921,443	\$(84,973)	\$(21,192)	\$31,453,101	\$7,076,595	\$38,529,696
A1	Balance as of January 1, 2024	\$4,544,231	\$7,153,073	\$4,789,190	\$147,938	\$15,270,310	\$(195,240)	\$(14,613)	\$31,694,889	\$7,464,237	\$39,159,126
	Appropriation and distribution of 2023 earnings										
B1	Legal reserve			3,341		(3,341)			-		-
B3	Special reserve				47,302	(47,302)			-		-
B5	Cash dividends-common shares					(454,423)			(454,423)		(454,423)
C7	Changes in associates and joint ventures accounted for using the equity method		42						42	17	59
D1	Net income for the nine-month period ended September 30, 2024					298,327			298,327	1,003,736	1,302,063
D3	Other comprehensive income (loss), net of tax, for the nine-month period ended September 30, 2024						115,099		115,099	23,663	138,762
D5	Total comprehensive income (loss)	-	-	-	-	298,327	115,099	-	413,426	1,027,399	1,440,825
O1	Non-controlling interests increase (decrease)									(556,962)	(556,962)
T1	Employee restricted shares for cancellation and others	22,360	211,616			305		(43,696)	190,585		190,585
Z1	Balance as of September 30, 2024	\$4,566,591	\$7,364,731	\$4,792,531	\$195,240	\$15,063,876	\$(80,141)	\$(58,309)	\$31,844,519	\$7,934,691	\$39,779,210

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Consolidated Statements of Cash Flows

For the nine-month periods ended September, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	For the nine-month periods ended September 30,		Code	Items	For the nine-month periods ended September 30,	
		2024	2023			2024	2023
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	\$1,501,405	\$541,166	B00040	Decrease (increase) in financial assets measured at amortized cost	1,093,300	(2,077,412)
A20000	Adjustments:			B01800	Acquisition of investments accounted for using the equity method	-	(50,000)
A20010	Income and expense adjustments:			B02700	Acquisition of property, plant and equipment	(8,740,936)	(8,284,761)
A20100	Depreciation(including right-of-use asset)	4,436,869	3,930,003	B02800	Proceeds from disposal of property, plant and equipment	109,981	7,566
A20200	Amortization	42,532	57,189	B03800	Decrease (increase) in refundable deposits	11,583	14,094
A20300	Expected credit losses (gain on recovery)	(55,109)	16,243	B04500	Acquisition of intangible assets	(42,153)	(49,240)
A20400	Net gain of financial assets at fair value through P/L	(30,157)	(15,973)	B05350	Proceeds from right-of-use assets	(112,584)	(82,574)
A20900	Interest expense	289,682	242,880	BBBB	Net cash provided by (used in) investing activities	(7,680,809)	(10,522,327)
A21200	Interest income	(404,805)	(358,794)				
A21900	Cost of share based payment	60,748	108,636				
A22300	Share of profit or loss of associates and joint ventures	(4,174)	13,756	CCCC	Cash flows from financing activities:		
A22500	Loss (gain) on disposal of property, plant and equipment	(48,496)	(2,419)	C00100	Increase in (repayment of) short-term loans	1,408,156	594,821
A23700	Impairment loss on non-financial assets	19,242	11,893	C01600	Increase in long-term loans	1,538,700	7,160,000
A29900	Gain on lease modification	(1,636)	-	C01700	Repayments of long-term loans	(1,331,390)	(1,949,335)
A29900	Gain on government grants	(19,893)	(16,567)	C03000	Increase (decrease) in deposits received	114,379	221,565
A30000	Changes in operating assets and liabilities:			C04020	Cash payments for the principal portion of the lease liability	(55,869)	(105,774)
A31110	Financial assets at fair value through P/L	1,081,733	(107,676)	C04500	Cash dividends paid	(1,011,385)	(3,438,175)
A31130	Notes receivable	(17)	5,548	C04600	Proceeds from issuing shares	136,672	147,917
A31150	Accounts receivable	(719,207)	1,287,063	C05800	Changes in non-controlling interests	-	2,453,491
A31160	Accounts receivable - related parties	367	2,763	CCCC	Net cash provided by (used in) financing activities	799,263	5,084,510
A31180	Other receivables	(26,524)	349,838				
A31190	Other receivables-related parties	(6,975)	-	DDDD	Effect of exchange rate changes	57,917	28,924
A31200	Inventories	(530,319)	786,551				
A31230	Prepayments	(739)	(540,195)	EEEE	Increase (decrease) in cash and cash equivalents	(1,936,195)	692,820
A31240	Other current assets	17,221	152,312	E00100	Cash and cash equivalents at beginning of period	15,700,767	16,684,198
A31990	Net defined benefit assets	(5,464)	(5,477)	E00200	Cash and cash equivalents at end of period	\$13,764,572	\$17,377,018
A32125	Contract liabilities	(585,838)	2,972,730				
A32130	Notes payable	(16,247)	(7,208)				
A32150	Accounts payable	385,604	(307,281)				
A32180	Other payables	(317,791)	(1,642,087)				
A32230	Other current liabilities	30,707	(57,499)				
A32990	Refund liability	(33)	(314,089)				
A32990	Other operating liability	8	-				
A33000	Cash generated from (used in) operations	5,092,694	7,103,306				
A33100	Interest received	451,137	304,259				
A33300	Interest paid	(264,588)	(211,545)				
A33500	Income tax paid	(391,809)	(1,094,307)				
AAAA	Net cash provided by (used in) operating activities	4,887,434	6,101,713				

(The accompanying notes are an integral part of the consolidated financial statements.)

1. HISTORY AND ORGANIZATION

Kinsus Interconnect Technology Corp. (referred to “the Company”) was established on September 11, 2000. Its main business activities include the manufacture of electronic products, the whole-sale and retail-sale of electronic materials, and the consultation services of business operation and management. The Company’s stocks have been governmentally approved on May 20, 2004 to be listed and traded in Taiwan Stock Exchange starting November 1, 2004. The registered business premise and main operation address is at No. 1245, Chung Hua Rd., Hsinwu District, Taoyuan City, Taiwan 32747.

Pegatron Corporation is the ultimate controller of the Group to which the Company belongs.

2. DATE AND PROCEDURE OF AUTHORIZATION FOR FINANCIAL STATEMENTS ISSUANCE

The consolidated financial statements of the Company and its subsidiaries (“the Group”) were authorized to be issued in accordance with a resolution of the Board of Directors’ meeting held on October 28, 2024.

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

- (1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2024. The adoption of these new standards and amendments had no material impact on the Group.

- (2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Lack of Exchangeability – Amendments to IAS 21	January 1, 2025

(A) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The abovementioned amendment are applicable for annual periods beginning on or after January 1, 2025 and have no material impact on the Group.

- (3) Standards or interpretations issued, revised or amended, by IASB which are endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	January 1, 2023
c	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
d	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
e	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
f	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026

(A) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

(B) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

(C) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(1) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

(2) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(3) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(D) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(E) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (1) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (2) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (3) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (4) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(F) Annual Improvements to IFRS Accounting Standards – Volume 11

(1) Amendments to IFRS 1

The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

(2) Amendments to IFRS 7

The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

(3) Amendments to Guidance on implementing IFRS 7

The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

(4) Amendments to IFRS 9

The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.

(5) Amendments to IFRS 10

The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(6) Amendments to IAS 7

The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under and (C), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of compliance

The consolidated financial statements for the nine-month periods ended September 30, 2024 and 2023 have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and IAS 34 “Interim Financial Reporting,” as endorsed and became effective by the FSC.

Except for the following 4(4)~4(6), the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2023. For more details, please refer to Note 4 of the Company’s consolidated financial statements for the year ended December 31, 2023.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are presented in thousands of New Taiwan Dollars (“NT\$”) unless otherwise specified.

(3) Basis of consolidation

The same principles of consolidation have been applied in the Company’s consolidated financial statements as those applied in the Company’s consolidated financial statements for the year ended December 31, 2023. For the principles of consolidation, please refer to Note 4(3) of the Company’s consolidated financial statements for the year ended December 31, 2023.

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Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

The consolidated entities are listed as follows:

Investor	Subsidiary	Main business	Percentage of Ownership (%), as of		
			Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
The Company	KINSUS CORP. (USA)	Designing substrates, formulating marketing strategy analysis, developing new customers, researching and development new product technology	100.00%	100.00%	100.00%
The Company	KINSUS HOLDING (SAMOA) LIMITED	Investing activities	100.00%	100.00%	100.00%
The Company	KINSUS INVESTMENT CO., LTD.	Investing activities	100.00%	100.00%	100.00%
The Company	PEGAVISION CORPORATION	Manufacture of medical equipment	2.33% (Note)	2.33% (Note)	2.33% (Note)
KINSUS HOLDING (SAMOA) LIMITED	KINSUS HOLDING (CAYMAN) LIMITED	Investing activities	100.00%	100.00%	100.00%
KINSUS HOLDING (SAMOA) LIMITED	PIOTEK HOLDINGS LTD. (CAYMAN)	Investing activities	51.00% (Note 2)	51.00% (Note 2)	51.00% (Note 2)
KINSUS INVESTMENT CO., LTD.	PEGAVISION CORPORATION	Manufacture of medical equipment	27.22% (Note)	27.22% (Note)	27.22% (Note)

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Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

Investor	Subsidiary	Main business	Percentage of Ownership (%), as of		
			Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
KINSUS HOLDING (CAYMAN) LIMITED	KINSUS INTERCONNECT TECHNOLOGY SUZHOU CORP.	Manufacturing and selling printed circuit board (PCB) (not high- density fine-line)	100.00%	100.00%	100.00%
PIOTEK HOLDINGS LTD. (CAYMAN)	PIOTEK HOLDINGS LIMITED	Investing activities	100.00%	100.00%	100.00%
PIOTEK HOLDINGS LIMITED	PIOTEK COMPUTER (SUZHOU) CO., LTD.	Researching, developing, producing and selling electronic components, PCBs and related products and providing after- sale services	83.06% (Note 2)	83.06% (Note 2)	83.06% (Note 2)
PIOTEK HOLDINGS LIMITED	PIOTEK (H.K.) TRADING LIMITED	Trading activities	100.00%	100.00%	100.00%
KINSUS INTERCONNECT TECHNOLOGY SUZHOU CORP.	PIOTEK COMPUTER (SUZHOU) CO., LTD.	Researching, developing, producing and selling electronic components, PCBs and related products and providing after- sale services	8.64% (Note 2)	8.64% (Note 2)	8.64% (Note 2)
Pegavision Corporation	Pegavision Japan Inc.	Selling medical equipment	100.00%	100.00%	100.00%

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Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

Investor	Subsidiary	Main business	Percentage of Ownership (%), as of		
			Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
Pegavision Corporation	Pegavision (Jiangsu) Limited	Producing and Selling medical equipment	100.00%	100.00%	100.00%
Pegavision Corporation	Mayin Investment Co., Ltd.	Investing activities	100.00%	100.00%	100.00%
Pegavision Corporation	PEGAVISION VIETNAM COMPANY LIMITED	Manufacturing and selling medical equipment	100.00% (Note 3)	100.00% (Note 3)	Not applicable
Pegavision Corporation	Pegavision (Shanghai) Limited	Selling medical equipment	100.00% (Note 1)	Not applicable	Not applicable
Mayin Investment Co., Ltd.	BeautyTech Platform Corporation	Selling medical equipment and cosmetic products	85.00%	85.00%	85.00%
Mayin Investment Co., Ltd.	FacialBeau International Corporation	Selling medical equipment and cosmetic products	55.00%	55.00%	55.00%
BeautyTech Platform Corporation	Pegavision Contact Lenses (Shanghai) Corporation	Selling medical equipment	100.00%	100.00%	100.00%
BeautyTech Platform Corporation	BeautyTech Platform (Shanghai) Corporation	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00%
BeautyTech Platform Corporation	BEAUTYTECH PLATFORM (SINGAPORE) PTE. LTD.	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00%

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Kinsus Interconnect Technology Corp.

Notes to Consolidated Financial Statements (Continued)

Investor	Subsidiary	Main business	Percentage of Ownership (%), as of		
			Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2023
BeautyTech Platform Corporation	FORIMART Corporation	Selling medical equipment and cosmetic products	100.00% (Note 1)	Not applicable	Not applicable
Pegavision Contact Lenses (Shanghai) Corporation	Gemvision Technology (Zhejiang) Limited	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00%
FacialBeau International Corporation	FacialBeau (Jiangsu) Corporation	Selling medical equipment and cosmetic products	100.00% (Note 1)	100.00% (Note 1)	100.00% (Note 1)
FacialBeau International Corporation	IKIDO Inc.	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00%
FacialBeau International Corporation	RODNA Co., Ltd.	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00%
FacialBeau International Corporation	Aquamax Vision Corporation	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00%

Note: As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group had 29.55% ownership of Pegavision Corporation, respectively. However, the Group possesses control over the entity as it has been the single largest shareholder since the Group invested in Pegavision Corporation. The Group and the parent company hold more than 45% of voting right while the remaining equity is individually held by numerous shareholders without contractual rights. The Group therefore has control over the entity.

The Company's subsidiary, Pegavision Corporation, conducted a cash capital increase by issuing 8,000,000 common shares at a price of NT\$310 per share in 2023. The capital increase record date was September 7, 2023. The Company's subsidiary, Kinsus Investment Co., Ltd., did not participate in the cash capital increase, reducing its ownership percentage from 30.33% to 27.22%. Instead, the Company participated in the cash capital increase and acquired 1,820,034 shares, resulting in an ownership percentage of 2.33% after the capital increase.

Note1: To improve the synergy of the Group, the board of directors decided to reorganize and set up the Subsidiaries on July 26, 2021:

(a)FacialBeau (Jiangsu) Corporation which is 100% held by FacialBeau International Corporation was registered on February 25, 2022. The investment amount has not been remitted as on September 30, 2024.

(b)PORIMART Corporation which is 100% held by BeautyTech Platform Corporation was registered on April 16, 2024.

(c)Pegavision (Shanghai) Limited which is 100% held by the Company was registered on April 23, 2024. The investment amount has not been remitted as of September 30, 2024.

Note2: The Company's subsidiary, Piotek Computer (Suzhou) Co., Ltd., conducted a cash capital increase in September 2023. The Company's subsidiary, Piotek Holding Limited, did not participate in the cash capital increase, and its ownership percentage decreased from 100.00% to 83.06%. Instead, the Company's subsidiary, Kinsus Interconnect Technology Suzhou Corp, participated in the cash capital increase and its ownership percentage after the capital increase was 8.64%. However, the Company's subsidiary, Kinsus Holding (Samoa) Limited, maintained an ultimate consolidated ownership percentage of 51%.

Note3: Taking into consideration the long-term developmental needs and to diversify production risks of the Pegavision Corporation, the board meeting was held on February 13, 2023 and passed the resolution to establish a wholly owned subsidiary PEGAVISION VIETNAM COMPANY LIMITED by Pegavision Corporation, which completed registration on November 14, 2023.

(4) Current and non-current distinction for assets and liabilities

An asset is classified as current when:

- (a) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- (b) The Group holds the asset primarily for the purpose of trading
- (c) The Group expects to realize the asset within twelve months after the reporting period
- (d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

- (a) The Group expects to settle the liability in its normal operating cycle
- (b) The Group holds the liability primarily for the purpose of trading
- (c) The liability is due to be settled within twelve months after the reporting period
- (d) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(5) Post-employment benefits

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

(6) Income tax

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- ii. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- i. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. Only current income tax expense is using the estimated average annual effective income tax rate while deferred income tax is recognized and measured in consistent with annual financial reporting in accordance with IAS 12, “Income Tax.” The impact of tax rate change in interim period, if any, is recognized in earnings, other comprehensive income or directly equity.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group’s consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The same significant accounting judgments, estimates and assumptions have been applied in the Company’s consolidated financial statements for the nine-month period ended September 30, 2024 as those applied in the Company’s consolidated financial statements for the year ended December 31, 2023. For significant accounting judgments, estimates and assumptions, please refer to Note 5 of the Company’s consolidated financial statements for the year ended December 31, 2023.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	As of		
	9/30/2024	12/31/2023	9/30/2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Cash and petty cash	\$5,036	\$5,234	\$5,262
Checking and saving	2,735,938	2,495,676	3,407,573
Time deposit	11,023,598	13,199,857	13,964,183
Total	<u>\$13,764,572</u>	<u>\$15,700,767</u>	<u>\$17,377,018</u>

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Kinsus Interconnect Technology Corp.
Notes to Consolidated Financial Statements (Continued)

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

	As of		
	9/30/2024	12/31/2023	9/30/2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Mandatorily measured at fair value through profit or loss:			
Money market fund	\$2,095,863	\$3,155,872	\$1,308,486
Valuation adjustment	46,785	38,352	33,714
Total	<u>\$2,142,648</u>	<u>\$3,194,224</u>	<u>\$1,342,200</u>
Current	<u>\$2,142,648</u>	<u>\$3,194,224</u>	<u>\$1,342,200</u>
Non-current	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>

No financial assets at fair value through profit or loss was pledged as collateral.

(3) Financial assets measured at amortized cost

	As of		
	9/30/2024	12/31/2023	9/30/2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Time deposit	<u>\$1,025,126</u>	<u>\$2,118,426</u>	<u>\$2,097,469</u>
Current	<u>\$1,025,126</u>	<u>\$2,118,426</u>	<u>\$2,097,469</u>
Non-current	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>

The Group transacts with financial institutions with good credit rating. Consequently, there is no significant credit risk.

No financial assets measured at amortized cost was pledged as collateral.

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

	As of		
	9/30/2024	12/31/2023	9/30/2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Equity instruments investments measured at fair value through other comprehensive income – Non-current:			
Unlisted company stocks	\$51,000	\$51,000	\$51,000

No financial assets at fair value through other comprehensive income was pledged as collateral.

(5) Notes receivable

	As of		
	9/30/2024	12/31/2023	9/30/2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Notes receivable arising from operating activities	\$4,777	\$4,760	\$5,652
Less: loss allowance	-	-	-
Total	\$4,777	\$4,760	\$5,652

Notes receivable were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(22) for more details on loss allowance and Note 12 for details on credit risk.

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Kinsus Interconnect Technology Corp.
Notes to Consolidated Financial Statements (Continued)

(6)Accounts receivable and accounts receivable - related parties, net

A. Accounts receivable, net

	As of		
	9/30/2024	12/31/2023	9/30/2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Accounts receivable, gross	\$5,081,642	\$4,362,435	\$3,799,504
Less: allowance against doubtful accounts	(13,574)	(68,670)	(67,777)
Net of allowances	5,068,068	4,293,765	3,731,727
Accounts receivable - related parties, gross	-	367	161
Less: allowance against doubtful accounts	-	-	-
Net of allowances	-	367	161
Total accounts receivable, net	\$5,068,068	\$4,294,132	\$3,731,888

B. Accounts receivable were not pledged.

C. The Group entered into factoring agreements with banks. Accounts receivable from selected customers are transferred to banks without recourse. Details of the agreed credit limits and accounts receivable transferred were as follows:

	Financial Institution	Accounts receivable be transferred (NT\$'000)	Interest Rate	Advance received (NT\$'000)	Collateral	Credit Limit
9/30/2023	Mega International Commercial Bank - LanYa Branch	\$136,604	-%	\$-	None	Note

Note: The Group did not renew the contract after the expiration of the accounts receivable factoring contract. The credit limit was US\$30,000 thousand as of September 30, 2023.

D. Accounts receivable are generally on 30-90 day terms. The total carrying amount as of September 30, 2024, December 31, 2023 and September 30, 2023, are NT\$5,081,642 thousand, NT\$4,362,802 thousand and NT\$3,799,665 thousand, respectively. Please refer to Note 6 (22) for more details on loss allowance of accounts receivable for the periods ended September 30, 2024 and 2023. Please refer to Note 12 for more details on credit risk management.

(7)Inventories

A. Details of inventory:

	As of		
	9/30/2024	12/31/2023	9/30/2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Raw material	\$554,007	\$488,005	\$489,209
Supplies	47,399	48,081	43,540
Work in process	1,506,278	1,154,918	1,204,822
Finished goods	999,004	850,829	885,880
Merchandises	35,313	69,849	70,941
Total	<u>\$3,142,001</u>	<u>\$2,611,682</u>	<u>\$2,694,392</u>

B. For the three-month periods ended September 30, 2024 and 2023, the Group recognized NT\$5,789,599 thousand and NT\$4,680,833 thousand under the caption of costs of sale, respectively. For the nine-month periods ended September 30, 2024 and 2023, the Group recognized NT\$16,070,603 thousand and NT\$14,897,002 thousand under the caption of costs of sale, respectively. For the three-month periods ended September 30, 2024 and 2023, the Group recognized NT\$653,402 thousand and NT\$695,914 thousand, respectively, which included loss from inventory market decline, physical or inventory write-off obsolescence. For the nine-month periods ended September 30, 2024 and 2023, the Group recognized NT\$2,076,352 thousand and NT\$2,320,366 thousand, respectively, which included loss from inventory market decline, physical or inventory write-off obsolescence.

C. The inventories were not pledged.

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(8) Investments accounted for under the equity method

Investees	As of					
	9/30/2024		12/31/2024		9/30/2023	
	Carrying amount (NT\$'000)	Percentage of ownership (%)	Carrying amount (NT\$'000)	Percentage of ownership (%)	Carrying amount (NT\$'000)	Percentage of ownership (%)
Investments in associates:						
FuYang Technology Corp.	\$393,051	35.65%	\$388,776	35.65%	\$387,439	35.65%
Zhuhe Investment Co., Ltd.	49,500	25.00%	49,542	29.41%	49,966	29.41%
Total	<u>\$442,551</u>		<u>\$438,318</u>		<u>\$437,405</u>	

A. The Company invested cash in FuYang Technology Corp. during May 2016 for interest ownership of 36%. The investment is accounted for as an investment in associates due to the Company's ability to exercise its significant influence.

In May 2017, the Company participated in FuYang's cash offering by unproportionate investing NT\$479,422 thousand for 19,176,872 shares of FuYang and, therefore, recognized a capital surplus amounting to NT\$7,484 thousand. As a result of the offering, the Company's share interest on FuYang decreased from 36% to 35.65%.

In September 2023, the Group's subsidiaries, Kinsus Investment Co., Ltd. and PEGAVISION CORPORATION invested cash in Zhuhe Investment Co., Ltd. with amounts of NT\$30,000 thousand and NT\$20,000 thousand, with shareholding ratios of 17.65% and 11.76%, respectively. Each obtained one seat in the board of directors of Zhuhe Investment Co., Ltd. The investment is accounted for as an investment in associates due to the Group's ability to exercise its significant influence.

In June 12, 2024, Zhuhe Investment Co., Ltd. conducted a cash capital increase. The Group did not subscribe to the shares proportionately, thereby reducing its ownership from 29.41% to 25.00%. An additional capital surplus in the amount of NT\$42 thousand was recognized for the non-proportionate subscription.

B. Investments in associates

As of September 30, 2024, December 31, 2023 and September 30, 2023, the aggregate carrying amount of the Group's interests in FuYang Technology Corp. and Zhuhe Investment Co., Ltd. was NT\$442,551 thousand, NT\$438,318 thousand and NT\$437,405 thousand, respectively. The aggregate financial information based on Group's share of FuYang Technology Corp. and Zhuhe Investment Co., Ltd. was as follows:

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2024	2023	2024	2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Profit or loss from continuing operations	\$1,420	\$(6,610)	\$4,174	\$(13,756)
Other comprehensive income (post-tax)	-	10,229	-	20,038
Total comprehensive income	<u>\$1,420</u>	<u>\$3,619</u>	<u>\$4,174</u>	<u>\$6,282</u>

There were no contingent liabilities or capital commitments with respect to the investment in the associate as of September 30, 2024, December 31, 2023 and September 30, 2023. Nor any of the Group's share interest on FuYang was pledged as collateral.

C. The Group's investment accounted for under equity method in FuYang Technology as of September 30, 2024 and 2023 amounted to NT\$393,051 thousand and NT\$387,439 thousand while the related investment income/loss and joint venture income were NT\$1,533 thousand, NT\$(6,576) thousand, NT\$4,276 thousand and NT\$(13,722) thousand for the three-month and nine-month periods ended September 30, 2024 and 2023, respectively. And other comprehensive income were NT\$0, NT\$10,229 thousand, NT\$0 and NT\$20,038 thousand for the three-month and nine-month periods ended September 30, 2024 and 2023, respectively. Please note that the financial statements of the investee for the same correspondent periods were not reviewed.

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The Group's investment accounted for under equity method in Zhuhe Investment as of September 30, 2024 and 2023 amounted to NT\$49,500 thousand and NT\$49,966 thousand while the related investment income/loss and joint venture income were NT\$(113) thousand, NT\$(34) thousand, NT\$ (102) thousand, NT\$(34) thousand for the three-month and nine-month periods ended September 30, 2024 and 2023, respectively. And other comprehensive income were both NT\$0 for the three-month and nine-month periods ended September 30, 2024 and 2023, respectively. They were measured based on the reviewed financial statements of the investee for the same correspondent periods.

D. No investment accounted for under equity method was pledged as collateral as of September 30, 2024, December 31, 2023 and September 30, 2023.

(9) Property, plant and equipment

	As of		
	9/30/2024 (NT\$'000)	12/31/2023 (NT\$'000)	9/30/2023 (NT\$'000)
Owner occupied property, plant and equipment	\$37,707,826	\$31,623,152	\$31,428,328

A. Property, plant and equipment for own-use

	Land (NT\$'000)	Buildings (NT\$'000)	Machinery (NT\$'000)	Office Equipment (NT\$'000)	Vehicle (NT\$'000)	Other Equipment (NT\$'000)	Construction in progress and equipment awaiting inspection (including prepayment for property and equipment)	Total (NT\$'000)
							(NT\$'000)	
Cost:								
As of 1/1/2024	\$6,315,776	\$11,255,795	\$37,213,996	\$432,772	\$31,893	\$8,777,126	\$21,089,836	\$85,117,194
Addition	-	20,900	841	120	-	336,389	7,628,718	7,986,968
Disposals	-	-	(742,213)	(2,474)	-	(294,504)	-	(1,039,191)
Effect of EX rate	197	87,641	117,100	2,487	511	44,835	22,481	275,252
Reclassification	1,912,673	2,934,550	5,038,253	42,770	-	1,529,539	(11,457,785)	-
As of 9/30/2024	\$8,228,646	\$14,298,886	\$41,627,977	\$475,675	\$32,404	\$10,393,385	\$17,283,250	\$92,340,223

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							Construction in progress and equipment awaiting inspection (including prepayment for property and equipment)	
	Land	Buildings	Machinery	Office Equipment	Vehicle	Other Equipment		Total
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
As of 1/1/2023	\$6,307,423	\$10,488,132	\$34,095,174	\$324,058	\$29,807	\$8,062,156	\$17,145,404	\$76,452,154
Addition	-	7,400	290	280	-	165,029	6,422,632	6,595,631
Disposals	-	(24,239)	(151,587)	(502)	-	(100,799)	-	(277,127)
Effect of EX rate	-	112,486	53,861	1,175	239	19,941	6,498	194,200
Reclassification	-	-	2,243,735	48,508	1,413	523,897	(2,817,553)	-
As of 9/30/2023	<u>\$6,307,423</u>	<u>\$10,583,779</u>	<u>\$36,241,473</u>	<u>\$373,519</u>	<u>\$31,459</u>	<u>\$8,670,224</u>	<u>\$20,756,981</u>	<u>\$82,964,858</u>

Depreciation and impairment:

As of 1/1/2024	\$-	\$4,656,197	\$26,078,350	\$300,121	\$22,596	\$6,624,895	\$-	\$37,682,159
Depreciation	-	481,794	3,076,382	47,235	2,218	768,791	-	4,376,420
Impairment loss	-	19,242	-	-	-	-	-	19,242
Disposal	-	-	(682,400)	(1,024)	-	(294,282)	-	(977,706)
Effect of EX rate	-	53,276	105,182	2,161	463	38,041	-	199,123
Reclassification	-	-	-	-	-	-	-	-
As of 9/30/2024	<u>\$-</u>	<u>\$5,210,509</u>	<u>\$28,577,514</u>	<u>\$348,493</u>	<u>\$25,277</u>	<u>\$7,137,445</u>	<u>\$-</u>	<u>\$41,299,238</u>

As of 1/1/2023	\$-	\$4,240,246	\$22,587,144	\$258,326	\$19,916	\$5,957,474	\$-	\$33,063,106
Depreciation	-	411,546	2,758,304	30,132	2,137	621,307	-	3,823,426
Impairment loss	-	-	-	-	-	11,893	-	11,893
Disposal	-	(24,239)	(146,440)	(502)	-	(100,799)	-	(271,980)
Effect of EX rate	-	73,837	48,828	1,034	215	17,969	-	141,883
Reclassification	-	-	(804)	-	-	804	-	-
As of 9/30/2023	<u>\$-</u>	<u>\$4,701,390</u>	<u>\$25,247,032</u>	<u>\$288,990</u>	<u>\$22,268</u>	<u>\$6,508,648</u>	<u>\$-</u>	<u>\$36,768,328</u>

Net carrying amount:

As of 9/30/2024	<u>\$8,228,646</u>	<u>\$9,088,377</u>	<u>\$13,050,463</u>	<u>\$127,182</u>	<u>\$7,127</u>	<u>\$3,255,940</u>	<u>\$17,283,250</u>	<u>\$51,040,985</u>
As of 12/31/2023	<u>\$6,315,776</u>	<u>\$6,599,598</u>	<u>\$11,135,646</u>	<u>\$132,651</u>	<u>\$9,297</u>	<u>\$2,152,231</u>	<u>\$21,089,836</u>	<u>\$47,435,035</u>
As of 9/30/2023	<u>\$6,307,423</u>	<u>\$5,882,389</u>	<u>\$10,994,441</u>	<u>\$84,529</u>	<u>\$9,191</u>	<u>\$2,161,576</u>	<u>\$20,756,981</u>	<u>\$46,196,530</u>

B. “Significant components” of buildings primarily comprised the main buildings and the facilities, which are depreciated based on their respective useful economic life of 20 to 25 years and 3 to 20 years.

C. Details of property, plant & equipment and prepayment for machinery is as follows:

	As of		
	9/30/2024	12/31/2023	9/30/2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Property, plant and equipment	\$37,707,826	\$31,623,152	\$31,428,328
Prepayment for acquiring machinery	13,333,159	15,811,883	14,768,202
Total	\$51,040,985	\$47,435,035	\$46,196,530

D. For the three-month periods ended September 30, 2024 and 2023, both NT\$0 impairment loss represented the write down of certain property, plant and equipment to the recoverable amount. For the nine-month periods ended September 30, 2024 and 2023, NT\$19,242 thousand and NT\$11,893 thousand impairment loss represented the write down of certain property, plant and equipment to the recoverable amount. This has been recognized in the statement of comprehensive income. The recoverable value is measured at usage values by the individual units.

E. Please refer to Note 8 for details on property, plant and equipment pledged as collaterals.

F. The Company purchased 40 parcels of land with a total area of 36,115.24 square meters. Lands are located at the addresses of No. 1113, 1114, 1438 to 1443, 1479, 1486 to 1487 at ShiLeiZi Sub-section, ShiLeiZi Section, No. 1044, 1047 to 1049 at QingHua Section, and No. 0001, 697 to 700 and 712 to 726 at RongHua Section, XinFeng Village. Due to regulatory restrictions, the agricultural land cannot be registered under the Company's name while it has been temporarily registered under the CEO and general manager's name and, to secure the Company's right to the land, mortgage registration has been set aside with the Company being the obligee.

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(10) Intangible assets

	Computer software (NT\$'000)
<u>Cost:</u>	
As of 1/1/2024	\$126,660
Additions – acquired separately	42,153
Derecognized upon retirement	(41,766)
Effect of exchange rate changes	218
As of 9/30/2024	<u>\$127,265</u>
As of 1/1/2023	\$92,761
Additions – acquired separately	49,240
Derecognized upon retirement	(24,891)
Effect of exchange rate changes	296
As of 9/30/2023	<u>\$117,406</u>
<u>Amortization and Impairment:</u>	
As of 1/1/2024	\$84,816
Amortization	42,532
Derecognized upon retirement	(41,766)
Effect of exchange rate changes	97
As of 9/30/2024	<u>\$85,679</u>
As of 1/1/2023	\$44,738
Amortization	57,189
Derecognized upon retirement	(24,891)
Effect of exchange rate changes	230
As of 9/30/2023	<u>\$77,266</u>
<u>Carrying amount, net:</u>	
As of 9/30/2024	<u>\$41,586</u>
As of 12/31/2023	<u>\$41,844</u>
As of 9/30/2023	<u>\$40,140</u>

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Amounts of amortization recognized for intangible assets are as follows:

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2024	2023	2024	2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Cost of goods sold	\$(32)	\$73	\$94	\$258
Selling	-	130	-	390
General and administrative	14,749	13,580	41,709	55,754
Research and development	440	244	729	787
Total	<u>\$15,157</u>	<u>\$14,027</u>	<u>\$42,532</u>	<u>\$57,189</u>

(11) Other non-current assets

	As of		
	9/30/2024	12/31/2023	9/30/2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Refundable deposits	\$66,541	\$78,124	\$74,721
Net defined benefit assets	28,521	23,057	35,976
Prepayments for land use right	-	161,852	82,574
Total	<u>\$95,062</u>	<u>\$263,033</u>	<u>\$193,271</u>

(12) Short-term loans

	Interest interval (%)	As of		
		9/30/2024	12/31/2023	9/30/2023
		(NT\$'000)	(NT\$'000)	(NT\$'000)
Unsecured bank loans	1.7% ~ 5.83%	<u>\$2,816,775</u>	<u>\$1,408,619</u>	<u>\$971,441</u>

The Group's unused short-term lines of credits amount to NT\$17,247,102 thousand, NT\$16,592,865 thousand and NT\$19,000,699 thousand, as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

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(13) Other payables

	As of		
	9/30/2024	12/31/2023	9/30/2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Accrued expense	\$3,688,047	\$3,998,995	\$3,729,209
Equipment payable	1,587,625	2,341,593	1,558,501
Accrued interest	14,848	15,672	12,955
Total	<u>\$5,290,520</u>	<u>\$6,356,260</u>	<u>\$5,300,665</u>

(14) Other current liabilities

	As of		
	9/30/2024	12/31/2023	9/30/2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Other current liabilities	\$178,334	\$147,627	\$103,252
Current portion of long-term loans	2,586,629	1,797,426	1,631,872
Deferred revenue	15,851	18,387	19,527
Total	<u>\$2,780,814</u>	<u>\$1,963,440</u>	<u>\$1,754,651</u>

(15) Refund liability

	As of		
	9/30/2024	12/31/2023	9/30/2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Refund liability	<u>\$252,654</u>	<u>\$252,687</u>	<u>\$231,692</u>

(16) Long-term loans

Details of long-term loans were as follows:

	As of		
	9/30/2024 (NT\$'000)	12/31/2023 (NT\$'000)	9/30/2023 (NT\$'000)
Unsecured bank loans	\$17,101,058	\$16,822,244	\$17,061,148
Secured bank loans	204,509	255,478	257,391
Subtotal	17,305,567	17,077,722	17,318,539
Less: current portion	(2,586,629)	(1,797,426)	(1,631,872)
Total	<u>\$14,718,938</u>	<u>\$15,280,296</u>	<u>\$15,686,667</u>
Interest interval (%)	<u>1.15%~6.23%</u>	<u>1.15%~1.895%</u>	<u>1.15%~1.90%</u>

(a) Borrowing and repayment

In consideration of the operating situation and the terms of the loan agreement, the Group repaid the long-term loans of NT\$1,331,390 thousand and NT\$1,949,335 thousand for the nine-month periods ended September 30, 2024 and 2023, respectively. In addition, the Group proceeded from longterm loans of NT\$1,538,700 thousand and NT\$7,160,000 thousand for the nine-month periods ended September 30, 2024 and 2023, respectively. Please refer to Note 6(25)(D) for interest expenses.

(b) Collateral for bank loans

Please refer to Note 8 for details on assets pledged as collaterals.

(c) Government low-interest loan

The Group obtained government low-interest loans. The loans were measured at its fair value by applying the market interest rate. The deferred differences between the amounts paid and the fair value were classified as other current liabilities and other non-current liabilities, respectively.

(17) Other non-current liabilities

(a) Details of other non-current liabilities were as follows:

	As of		
	9/30/2024	12/31/2023	9/30/2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Deposits received	\$5,268,350	\$5,153,971	\$5,105,820
Deferred revenue	83,480	97,038	103,070
Total	<u>\$5,351,830</u>	<u>\$5,251,009</u>	<u>\$5,208,890</u>

(b) The details of the deferred government grants income for the nine-month periods ended September 30, 2024 and 2023 are as follows:

	For the nine-month period ended September 30,	
	2024	2023
	(NT\$'000)	(NT\$'000)
Beginning balance	\$115,425	\$95,162
Received during the period	3,799	44,002
Released to the statement of comprehensive income	(19,893)	(16,567)
Ending Balance	<u>\$99,331</u>	<u>\$122,597</u>
Current	<u>\$15,851</u>	<u>\$19,527</u>
Non-current	<u>\$83,480</u>	<u>\$103,070</u>

(c) Please refer to Note 6(16) for details on interest rate of deferred government grants income.

(18) Post-employment benefits

Defined contribution plan

Expenses under the defined contribution plan for the three-month periods ended September 30, 2024 and 2023 were NT\$50,749 thousand and NT\$45,100 thousand, respectively, while for the nine-month periods ended September 30, 2024 and 2023 were NT\$149,517 thousand and NT\$143,315 thousand, respectively.

Defined benefits plan

Expenses under the defined benefits plan for the three-month periods ended September 30, 2024 and 2023 were NT\$0 and NT\$1 thousand, respectively, while for the nine-month periods ended September 30, 2024 and 2023 were NT\$0 and NT\$1 thousand, respectively.

(19) Equity

A. Common shares

As of September 30, 2024, December 31, 2023 and September 30, 2023, the Company's authorized capital was NT\$6,000,000 thousand, each share at par value of NT\$10, divided into 600,000 thousand shares. As of September 30, 2024, December 31, 2023 and September 30, 2023, the Company's paid-in capital were NT\$4,566,591 thousand, NT\$4,544,231 thousand and NT\$4,544,671 thousand, respectively, divided into 456,659 thousand shares, 454,423 thousand shares and 454,467 thousand shares, respectively. Each share represents a voting right and a right to receive dividends.

On February 15, 2022 and May 27, 2022, the Company's board of directors and shareholders' meetings resolved to increase the capital through an issuance of new 5,400 thousand shares of restricted stock for employees. The application has been governmentally approved by FSC in the Order No. Financial-Supervisory-Securities-Corporate-1110347163 issued on June 23, 2022. The Company's board of directors resolved the measurement date was on August 19, 2022. The issue price per share is NT\$85.6, and issued 1,932 thousand shares.

As of December 31, 2022, the Company recovered restricted stock awards in the amount of NT\$50 thousand, which is not yet cancelled, and a resolution was passed by the Board of Directors on February 13, 2023 to set March 19, 2023 as the reference date of capital reduction.

A resolution was passed by the Company on February 13, 2023 to issue the restricted stock awards of 2,036 thousand shares the second time, and to set March 20, 2023 as the reference date of capital increase, issuing the restricted stock awards of 1,448 thousand shares.

A resolution was passed by the Company on April 28, 2023 to issue the restricted stock awards of 456 thousand shares the third time, and to set May 19, 2023 as the reference date of capital increase, issuing the restricted stock awards of 280 thousand shares.

On July 31, 2023, the Company passed the resolution in the board meeting to recover and cancel restricted stock awards, proceed with capital reduction of NT\$245 thousand, and to set August 2, 2023 as the reference date of capital reduction.

On October 30, 2023, the Company passed the resolution in the board meeting to recover and cancel restricted stock awards, proceed with capital reduction of NT\$75 thousand, and to set November 1, 2023 as the reference date of capital reduction.

On January 29, 2024, the Company passed the resolution in the board meeting to recover and cancel restricted stock awards, proceed with capital reduction of NT\$440 thousand, and to set January 30, 2024 as the reference date of capital reduction.

On July 29, 2024, the Company passed the resolution in the board meeting to recover and cancel restricted stock awards, proceed with capital reduction of NT\$490 thousand, and to set August 22, 2024 as the reference date of capital reduction.

As of September 30, 2024, the Company recovered restricted stock awards in the amount of NT\$120 thousand, which is not yet cancelled.

On January 29, 2024 and May 30, 2024, the Company's board of directors and shareholders' meetings resolved to increase the capital through an issuance of new 2,700 thousand shares of restricted stock for employees. The application has been governmentally approved by FSC in the Order No. Financial-Supervisory-Securities-Corporate-1130348311 issued on July 3, 2024. The Company's board of directors resolved the measurement date was on August 23, 2024. The issue price per share is NT\$59.5, and issued 2,297 thousand shares.

B. Capital surplus

	As of		
	9/30/2024	12/31/2023	9/30/2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Additional paid-in capital	\$6,457,743	\$6,281,107	\$6,264,957
Differences between purchase price and carrying amount arising from acquisition or disposal of subsidiaries	52,567	52,567	52,567
Changes in ownership interests in subsidiaries	663,471	663,471	663,615
New shares of investee companies not purchased in proportion to shareholding ratio	7,526	7,484	7,484
Shared-Based Payment	8,371	8,371	8,371
Restricted stocks for employees	175,045	140,073	159,030
Other	8	-	-
Total	\$7,364,731	\$7,153,073	\$7,156,024

According to the Taiwan Company Act, the capital surplus shall not be used except for making good the deficit of the Company. When a company incurs no loss, it may distribute the capital surplus related to the income derived from the issuance of new shares at a premium or income from endowments received by the company up to a certain percentage of paid-in capital. The said capital surplus could be distributed in cash to its shareholders in proportion to the number of shares being held by each of them. Capital surplus related to long-term equity investments cannot be used for any purpose.

C. Appropriation of earnings and dividend policies

(a) Earning distribution

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- a. Payment of all taxes and dues;
- b. Offset prior years' operation losses;
- c. Set aside 10% of the remaining amount as legal reserve. This restriction shall not apply when the statutory surplus reserve has reached the paid-in capital of the company;
- d. Set aside or reverse special reserve in accordance with law and regulations; and
- e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

If the Company's dividends are distributed to shareholders or all or part of statutory surplus reserve and capital reserve in whole may be paid in cash, the Board of Directors have been authorized to approve by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, and report to the shareholder's meeting.

(b) Dividend policies

The Company is in an industry with versatile environment. For long-term finance planning requirements and to meet the shareholders' demand for cash, the Company's dividend policy aims for steadiness and balancing. Shareholder extra dividend each year cannot be less than 10% of distributed surplus earnings and cash dividends distributed each year cannot be less than 10% of the gross amount of dividends.

(c) Legal reserve

According to the Company Act, legal reserve shall be set aside until such amount equal total authorized capital. Legal reserve can be used to offset deficits. If the Company does not incur any loss, the portion of legal reserve exceeding 25% of the paid-in capital may be distributed to shareholders by issuing new shares or by cash in proportion to the number of shares held by each shareholder.

(d) Special reserve

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to “other net deductions from shareholders” equity for the current fiscal year, provided that if the Company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed from the special reserve.

The FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022 on March 31, 2021, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the company can reverse the special reserve by proportion and transfer to retained earnings.

The Company did not incur any special reserve upon the first-time adoption of T-IFRS.

(e) The appropriations of earnings for the Year 2023 and 2022 were approved through the Board of Directors’ meetings and the shareholders’ meetings held on May 30, 2024 and May 31, 2023, respectively. The details of the distributions are as follows:

	Appropriation of earnings		Dividend per share	
	2023	2022	(in NT\$)	
	(NT\$'000)	(NT\$'000)	2023	2022
Legal reserve	\$3,341	\$701,489		
Special reserve	47,302	(55,170)		
Cash dividend	454,423	2,943,012	\$1.00	\$6.50
Total	<u>\$505,066</u>	<u>\$3,589,331</u>		

Please refer to Note 6(24) for details on employees' compensation and remuneration to directors and supervisors.

D. Non-controlling interests

	For the nine-month period ended September 30,	
	2024 (NT\$'000)	2023 (NT\$'000)
Beginning balance	\$7,464,237	\$4,494,193
Net income attributable to NCIs	1,003,736	706,231
Other comprehensive income attributable to NCIs:		
Exchange differences arising on translation of foreign operations	23,663	(7,031)
Subsidiary cash capital increase	-	2,453,491
Cash dividends	(556,962)	(495,163)
Share-based payment transactions	-	41,533
Acquisition of new shares issued by the subsidiaries' capital increase that were not subscribed in proportion to shareholding	-	(116,659)
Changes in associates and joint ventures accounted for using the equity method	17	-
Ending balance	\$7,934,691	\$7,076,595

(20) Share-based payment plans

Restricted stocks plan for employees

A. On May 27, 2022, the shareholders' meetings resolved to issue of 5,400 thousand shares of restricted stocks for employees. The grantee is limited to employees who meet certain conditions. The restricted stocks have been approved by the Securities and Futures Bureau. On July 25, 2022, the board of directors resolved to issue 2,063 thousand shares. The measurement date was on August 19, 2022 and total shares issued were 1,932 thousand. The unit market price as of the granted date was NT\$130.

On February 13, 2023, the board of directors resolved to issue of 2,036 thousand shares. The measurement date was on March 20, 2023 and total shares issued were 1,448 thousand. The unit market price as of the granted date was NT\$105.

On April 28, 2023, the board of directors resolved to issue of 456 thousand shares. The measurement date was on May 19, 2023 and total shares issued were 280 thousand. The unit market price as of the granted date was NT\$108.

The employees who acquire the above shares can subscribe shares at the price of NT\$85.6 per shares while the vesting conditions are as below.

i. Employee above level eight

Vesting conditions	Proportion of vested shares
Within 1 month starting the granted date	30%(Uncondition round up to thousand shares)
Within 8 months starting the granted date	20%(Uncondition round up to thousand shares)
Within 13 months starting the granted date	20%(Uncondition round down to thousand shares)
Within 20 months starting the granted date	10%(Uncondition round up to thousand shares)
Within 25 months starting the granted date	10%(Uncondition round up to thousand shares)
Within 32 months starting the granted date	Remaining shares

ii. Employee at level six through level seven

Vesting conditions	Proportion of vested shares
Within 1 month starting the granted date	30%(Uncondition round up to thousand shares)
Within 13 months starting the granted date	50%(Uncondition round down to thousand shares)
Within 25 months starting the granted date	Remaining shares

Restriction on employee's right after granted but before vested:

- (a)The granted employee commit to the custodian institution, and shall not sell, pledge, transfer, donate, or dispose in any other ways, the right of restricted stocks before achieving the vesting conditions.

(b) After new shares of restricted stock are issued, the granted employee should immediately commit to the custodian institution, and not to ask the trustee to return the restricted stock in any other reasons or ways before achieving the vesting conditions.

(c) The restricted stock for employees can participate in receiving dividends during the vesting period.

(d) The right to vote and elect in a shareholders' meeting shall be executed by custodian institution in accordance with related regulations.

B. On May 30, 2024, the shareholders' meetings resolved to issue of 2,700 thousand shares of restricted stocks for employees. The grantee is limited to employees who meet certain conditions. The restricted stocks have been approved by the Securities and Futures Bureau. On July 29, 2024, the board of directors resolved to issue 2,355 thousand shares. The measurement date was on August 23, 2022 and total shares issued were 2,297 thousand. The unit market price as of the granted date was NT\$130.

The employees who acquire the above shares can subscribe shares at the price of NT\$47 per shares while the vesting conditions are as below.

i. Employee above level eight

Vesting conditions	Proportion of vested shares
Within 1 month starting the granted date	40%
Within 13 months starting the granted date	30%
Within 25 months starting the granted date	Remaining shares

ii. Employee at level six through level seven

Vesting conditions	Proportion of vested shares
Within 1 month starting the granted date	40%
Within 13 months starting the granted date	30%
Within 25 months starting the granted date	Remaining shares

Restriction on employee's right after granted but before vested:

- (a) The granted employee commit to the custodian institution, and shall not sell, pledge, transfer, donate, or dispose in any other ways, the right of restricted stocks before achieving the vesting conditions.
- (b) After new shares of restricted stock are issued, the granted employee should immediately commit to the custodian institution, and not to ask the trustee to return the restricted stock in any other reasons or ways before achieving the vesting conditions.
- (c) The restricted stock for employees can participate in receiving dividends during the vesting period.
- (d) During the vested period, if the Company conducts a capital reduction for cash return or other non-statutory capital reduction, the unvested RSAs shall be cancelled proportionally by the ration of such capital reduction. If the Company conducts a cash capital reduction for cash return, the returned cash shall be deposited in a trust/custody account and shall not be delivered to the employees until the vesting conditions are fulfilled; otherwise, the cash will be returned to the Company.
- (e) Mergers and Acquisitions: Unvested RSAs may be changed by the relevant agreements or plans for the mergers and acquisitions.
- (f) The right to vote and elect in a shareholders' meeting shall be executed by custodian institution in accordance with related regulations.
- (g) Other important terms and conditions: During the period when the granted RSAs are deposited in a trust/custody account, each executive must enter into an agreement authorizing the Company to, among others, negotiate, execute, modify, extend, rescind, and terminate the trust/custody agreement with the trustee/custodian, and give instructions to deliver, use, and dispose of any of the properties under the trust/custody, on their behalf, with full power and authority.

- C. On August 19, 2022, the issuance of 1,932 thousand restricted shares for employees resulted in the increase of capital reserve — employee stock option amounting to NT\$146,059 thousand. The restricted stocks plan was invalidated as of September 30, 2024 and 46 thousand shares were recalled. The unearned employee compensation was NT\$916 thousand as of September 30, 2024.

On March 20, 2023, the issuance of 1,448 thousand restricted shares for employees resulted in the increase of capital reserve — employee stock option amounting to NT\$130,637 thousand. The restricted stocks plan was invalidated as of September 30, 2024 and 50 thousand shares were recalled. The unearned employee compensation was NT\$1,577 thousand as of September 30, 2024.

On May 29, 2023, the issuance of 280 thousand restricted shares for employees resulted in the increase of capital reserve — employee stock option amounting to NT\$21,168 thousand. The restricted stocks plan was invalidated as of September 30, 2024 and 40 thousand share was recalled. The unearned employee compensation was NT\$376 thousand as of September 30, 2024.

On August 23, 2024, the issuance of 2,297 thousand restricted shares for employees resulted in the increase of capital reserve — employee stock option amounting to NT\$113,702 thousand. The unearned employee compensation was NT\$55,440 thousand as of September 30, 2024.

- D. The expense recognized for employee services received is shown in the following table.

	For the nine-month period ended September 30,	
	2024	2023
	(NT\$'000)	(NT\$'000)
Total expense arising from equity-settled share-based payment transactions	\$60,748	\$108,636

- E. The Company did not modify the share-based payment plan for the nine-month periods ended September 30, 2024 and 2023.

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(21) Sales

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2024	2023	2024	2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Revenue from customer contracts				
Sales of goods	\$8,107,444	\$5,894,290	\$22,268,186	\$18,677,992
Other operating revenue	89,676	151,881	223,800	664,732
Total	<u>\$8,197,120</u>	<u>\$6,046,171</u>	<u>\$22,491,986</u>	<u>\$19,342,724</u>

Analysis of revenue from contracts with customers during the nine-month periods ended September 30, 2024 and 2023 are as follows:

A. Disaggregation of revenue

	For the three-month period ended September 30, 2024		
	IC Substrate	Optics	Total
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Sales of goods	\$6,448,499	\$1,658,945	\$8,107,444
Other	89,676	-	89,676
Total	<u>\$6,538,175</u>	<u>\$1,658,945</u>	<u>\$8,197,120</u>

Timing of revenue recognition:

At a point in time	<u>\$6,538,175</u>	<u>\$1,658,945</u>	<u>\$8,197,120</u>
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	For the nine-month period ended September 30, 2024		
	IC Substrate	Optics	Total
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Sales of goods	\$17,245,771	\$5,022,415	\$22,268,186
Other	223,800	-	223,800
Total	<u>\$17,469,571</u>	<u>\$5,022,415</u>	<u>\$22,491,986</u>

Timing of revenue recognition:

At a point in time	<u>\$17,469,571</u>	<u>\$5,022,415</u>	<u>\$22,491,986</u>
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	For the three-month period ended September 30, 2023		
	IC Substrate (NT\$'000)	Optics (NT\$'000)	Total (NT\$'000)
Sales of goods	\$4,217,405	\$1,676,885	\$5,894,290
Other	151,881	-	151,881
Total	<u>\$4,369,286</u>	<u>\$1,676,885</u>	<u>\$6,046,171</u>
Timing of revenue recognition:			
At a point in time	<u>\$4,369,286</u>	<u>\$1,676,885</u>	<u>\$6,046,171</u>
For the nine-month period ended September 30, 2023			
	IC Substrate (NT\$'000)	Optics (NT\$'000)	Total (NT\$'000)
Sales of goods	\$13,926,366	\$4,751,626	\$18,677,992
Other	664,732	-	664,732
Total	<u>\$14,591,098</u>	<u>\$4,751,626</u>	<u>\$19,342,724</u>
Timing of revenue recognition:			
At a point in time	<u>\$14,591,098</u>	<u>\$4,751,626</u>	<u>\$19,342,724</u>

B. Contract balances

(a) Contract liabilities

	As of			
	9/30/2024 (NT\$'000)	12/31/2023 (NT\$'000)	9/30/2023 (NT\$'000)	1/1/2023 (NT\$'000)
Sales of goods	\$4,397,358	\$4,982,962	\$5,524,677	\$2,550,873
Customer loyalty programs	1,576	1,810	1,920	2,994
Total	<u>\$4,398,934</u>	<u>\$4,984,772</u>	<u>\$5,526,597</u>	<u>\$2,553,867</u>
Current	\$1,123,443	\$1,072,455	\$132,638	\$112,683
Non-Current	3,275,491	3,912,317	5,393,959	2,441,184
Total	<u>\$4,398,934</u>	<u>\$4,984,772</u>	<u>\$5,526,597</u>	<u>\$2,553,867</u>

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The significant changes in the Group's balances of contract liabilities for the nine-month periods ended September 30, 2024 are as follows:

	Sales of goods	Customer loyalty programs
The opening balance transferred to revenue	\$(692,091)	\$(1,810)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	106,487	1,576

The significant changes in the Group's balances of contract liabilities for the nine-month periods ended September 30, 2023 are as follows:

	Sales of goods	Customer loyalty programs
The opening balance transferred to revenue	\$(1,492,109)	\$(2,994)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	4,465,913	1,920

(22)Expected credit losses (gains)

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2024	2023	2024	2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Operating expenses – Expected credit losses (gains)				
Accounts receivable	\$(143)	\$16,806	\$(55,109)	\$16,243

Please refer to Note 12 for more details on credit risk.

The Group measures the loss allowance of its contract assets and accounts receivable (including notes receivable and accounts receivable) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of September 30, 2024, December 31, 2023 and September 30, 2023 are as follow:

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A. The Group considers the grouping of accounts receivable by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix. Details are as follow:

As of September 30, 2024

Group 1	Not past due	Past due						Total
	(Note)	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	>=365 days	
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	
Gross carrying amount	\$4,169,819	\$119,205	\$368	\$2,601	\$-	\$-	\$-	\$4,291,993
Loss ratio	-%	5%	15%	30%	50%	75%	100%	
Lifetime expected credit losses	-	(5,961)	(55)	(780)	-	-	-	(6,796)
Subtotal	4,169,819	113,244	313	1,821	-	-	-	4,285,197
Group 2	Not past due	Past due						Total
	(Note)	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	Individual evaluate	
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)		
Gross carrying amount	\$773,422	\$21,004	\$-	\$-	\$-	\$	\$-	\$794,426
Loss ratio	0.85%	1%	-%	-%	-%	-%	-%	
Lifetime expected credit losses	(6,568)	(210)	-	-	-	-	-	(6,778)
Subtotal	766,854	20,794	-	-	-	-	-	787,648
Carrying amount of accounts receivable	\$4,936,673	\$134,038	\$313	\$1,821	\$-	\$-	\$-	\$5,072,845

As of December 31, 2023

Group 1	Not past due	Past due						Total
	(Note)	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	>=365 days	
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	
Gross carrying amount	\$3,125,076	\$298,053	\$65,153	\$40	\$-	\$-	\$-	\$3,488,322
Loss ratio	-%	3.54%	15%	30%	50%	75%	100%	
Lifetime expected credit losses	-	(10,545)	(9,773)	(12)	-	-	-	(20,330)
Subtotal	3,125,076	287,508	55,380	28	-	-	-	3,467,992

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Group 2	Not past due	Past due					Individual evaluate	Total (NT\$'000)
	(Note)	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days		
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)		
Gross carrying amount	\$837,387	\$775	\$-	\$-	\$-	\$41,078	\$-	\$879,240
Loss ratio	0.87%	1%	5%	-%	-%	100%	100%	
Lifetime expected credit losses	(7,254)	(8)	-	-	-	(41,078)	-	(48,340)
Subtotal	830,133	767	-	-	-	-	-	830,900
Carrying amount of accounts receivable	\$3,955,209	\$288,275	\$55,380	\$28	\$-	\$-	\$-	\$4,298,892

As of September 30, 2023

Group 1	Not past due	Past due						Total (NT\$'000)
	(Note)	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	>=365 days	
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	
Gross carrying amount	\$2,573,730	\$245,250	\$36,133	\$-	\$-	\$-	\$9,254	\$2,864,367
Loss ratio	-%	5%	24%	30%	50%	75%	100%	
Lifetime expected credit losses	-	(12,262)	(8,507)	-	-	-	(9,254)	(30,023)
Subtotal	2,573,730	232,988	27,626	-	-	-	-	2,834,344
Group 2	Not past due	Past due					Individual evaluate	Total (NT\$'000)
	(Note)	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days		
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)		
Gross carrying amount	\$897,950	\$4,066	\$-	\$-	\$-	\$38,934	\$-	\$940,950
Loss ratio	0.89%	1%	0%	0%	0%	76.36%	0%	
Lifetime expected credit losses	(7,983)	(41)	-	-	-	(29,730)	-	(37,754)
Subtotal	889,967	4,025	-	-	-	9,204	-	903,196
Carrying amount of accounts receivable	\$3,463,697	\$237,013	\$27,626	\$-	\$-	\$9,204	\$-	\$3,737,540

Note: all the Group's notes receivable were not past due.

B. The movement in the provision for impairment of notes receivable and accounts receivable during the nine-month periods ended September 30, 2024 and 2023 are as follows:

	Notes receivable (NT\$'000)	Accounts receivable (NT\$'000)
Beginning balance as of January 1, 2024	\$-	\$68,670
Addition/(reversal) for the current period	-	(55,109)
Effect of exchange rate	-	13
Ending balance as of September 30, 2024	\$-	\$13,574
Beginning balance as of January 1, 2023	\$-	\$50,886
Addition/(reversal) for the current period	-	16,243
Effect of exchange rate	-	648
Ending balance as of September 30, 2023	\$-	\$67,777

(23) Leases

A. Group as a lessee

The Group leases various properties, including real estate such as land and buildings, machinery and equipment, transportation equipment. These leases have terms of between 1 and 50 years. The Group may not allow to privately lend, sublease, sell, use by others in other disguised form, or transfer the lease to another person.

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The effect of leases on the Group's consolidated financial position, financial performance and cash flows are as follow:

(a) Amounts recognized in the balance sheet

I. Right-of-use asset

The carrying amount of right-of-use asset

	Land (NT\$'000)	Buildings (NT\$'000)	Total (NT\$'000)
<u>Cost:</u>			
As of 1/1/2024	\$226,946	\$512,585	\$739,531
Addition	274,435	33,786	308,221
Disposals	-	(364,402)	(364,402)
Effect of EX rate	8,194	2,225	10,419
As of 9/30/2024	<u>\$509,575</u>	<u>\$184,194</u>	<u>\$693,769</u>
As of 1/1/2023	\$228,862	\$492,223	\$721,085
Addition	-	33,010	33,010
Disposals	-	(18,796)	(18,796)
Effect of EX rate	7,881	685	8,566
As of 9/30/2023	<u>\$236,743</u>	<u>\$507,122</u>	<u>\$743,865</u>
<u>Depreciation and impairment:</u>			
As of 1/1/2024	\$72,663	\$245,965	\$318,628
Depreciation	6,528	53,921	60,449
Disposal	-	(221,597)	(221,597)
Effect of EX rate	2,598	957	3,555
As of 9/30/2024	<u>\$81,789</u>	<u>\$79,246</u>	<u>\$161,035</u>
As of 1/1/2023	\$68,572	\$135,280	\$203,852
Depreciation	3,513	103,064	106,577
Disposal	-	(18,638)	(18,638)
Effect of EX rate	2,535	388	2,923
As of 9/30/2023	<u>\$74,620</u>	<u>\$220,094</u>	<u>\$294,714</u>

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	Land (NT\$'000)	Buildings (NT\$'000)	Total (NT\$'000)
<u>Net carrying amount:</u>			
As of 9/30/2024	\$427,786	\$104,948	\$532,734
As of 12/31/2023	\$154,283	\$266,620	\$420,903
As of 9/30/2023	\$162,123	\$287,028	\$449,151

II. Lease liabilities

	As of		
	9/30/2024 (NT\$'000)	12/31/2023 (NT\$'000)	9/30/2023 (NT\$'000)
Lease liabilities	\$109,806	\$273,320	\$293,577
Current	\$32,736	\$133,272	\$131,531
Non-current	77,070	140,048	162,046
Total	\$109,806	\$273,320	\$293,577

Please refer to Note 6(25)(D) for the interest on lease liabilities recognized during the three-month and nine-month periods ended September 30, 2024 and 2023 and refer to Note 12(5) for the maturity analysis for lease liabilities as on September 30, 2024, December 31, 2023 and September 30, 2023.

(b) Income and costs relating to leasing activities

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2024	2023	2024	2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
The expense relating to short-term leases (rent expenses)	\$(9,223)	\$(11,852)	\$(32,965)	\$(33,580)
The expense relating to leases of low-value assets (Not including the expense relating to short-term leases of low-value assets)	(448)	(173)	(1,858)	(795)
Income from subleasing right-of-use assets	-	234	241	630

As of September 30, 2024, December 31, 2023, and September 30, 2023, the portfolio of short-term leases of the Group to which it is committed at the end of the reporting period is dissimilar to the portfolio of short-term leases to which the short-term lease expense disclosed above and the amount of its lease commitments is NT\$0.

For the three-month periods ended September 30, 2024 and 2023, the Group recognized both NT\$0 as income to account the rent concession arising as a direct consequence of the covid-19 pandemic as a variable lease payment; For the nine-month periods ended September 30, 2024 and 2023, the Group recognized NT\$0 and NT\$19 thousand, respectively, as income to account the rent concession arising as a direct consequence of the covid-19 pandemic as a variable lease payment.

(c) Cash outflow relating to leasing activities

During the nine-month period ended September 30, 2024 and 2023, the Group's total cash outflow for leases amounting to NT\$90,692 thousand and NT\$140,149 thousand, respectively.

B. Group as a lessor

The Group has entered leases on plants. These leases have terms of between one and three years. These leases are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2024	2023	2024	2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Lease income for operating leases				
Income relating to fixed lease payments	\$10,907	\$797	\$21,729	\$2,319

For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of September 30, 2024, December 31, 2023 and September 30, 2023 are as follow:

	As of		
	9/30/2024	12/31/2023	9/30/2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Less than one year	\$392	\$392	\$392
More than one year but less than five years	850	1,144	1,243
Total	\$1,242	\$1,536	\$1,635

(24) Summary statement of employee benefits, depreciation and amortization is as follows:

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2024	2023	2024	2023
Related parties	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Employee benefit				
Salaries & wages	\$1,667,118	\$1,441,907	\$4,847,804	\$4,255,686
Labor and health insurance	120,398	126,208	396,178	386,843
Pension	50,749	45,101	149,517	143,316
Other employee benefit	100,090	76,258	292,975	229,529
Depreciation	1,541,062	1,337,212	4,436,869	3,930,003
Amortization	15,157	14,027	42,532	57,189

According to the resolution, not lower than 10% of profit of the current year is distributable as employees' compensation and no higher than 1% of profit of the current year is distributable as remuneration to directors and supervisors. However, the Company's accumulated losses shall have been covered.

Based on profit of the nine-month period ended September 30, 2024, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the nine-month period ended September 30, 2024 to be not lower than 10% and not higher than 1% of profit of the current nine-month period, respectively, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors and supervisors for the three-month period ended September 30, 2024 amounted to NT\$25,466 thousand and NT\$1,486 thousand, respectively, and, for the nine-month period ended September 30, 2024, NT\$40,723 thousand and NT\$1,486 thousand, respectively. The employees' compensation and remuneration to directors and supervisors were recognized as salaries.

For the nine-month period ended September 30, 2023, the Company incurred accumulated loss and therefore did not accrue the amounts of the employees' compensation and remuneration to directors and supervisors.

The Company's Board of Directors' meeting has determined the employees' compensation and directors' remuneration, all in cash, to be NT\$6,480 thousand and NT\$0, respectively, in a meeting held on January 29, 2024. No material differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended December 31, 2023.

(25) Non-operating incomes and expenses

A. Interest incomes

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2024	2023	2024	2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Interest income				
Financial assets measured at amortized cost	\$122,550	\$145,633	\$404,805	\$358,794

B. Other incomes

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2024	2023	2024	2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Government grants	\$6,688	\$6,303	\$19,893	\$16,567
Other income-others	44,246	38,867	136,637	82,586
Total	\$50,934	\$45,170	\$156,530	\$99,153

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C. Other gains and losses

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2024	2023	2024	2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Gain on disposal of property, plant and equipment	\$31,509	\$592	\$48,496	\$2,419
Foreign exchange gain (loss), net	27,260	22,227	67,281	94,132
Gain on lease modification	-	-	1,636	-
Net gain of financial assets at fair value through profit or loss	9,642	5,497	30,157	15,973
Impairment losses	-	-	(19,242)	(11,893)
Other losses	(561)	(1,289)	(1,463)	(18,328)
Total	<u>\$67,850</u>	<u>\$27,027</u>	<u>\$126,865</u>	<u>\$82,303</u>

D. Finance costs

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2024	2023	2024	2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Interest on bank loans	\$102,050	\$92,799	\$288,097	\$240,110
Interests on lease liabilities	396	893	1,585	2,770
Total	<u>\$102,446</u>	<u>\$93,692</u>	<u>\$289,682</u>	<u>\$242,880</u>

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(26) Components of other comprehensive income (OCI)

For the three-month period ended September 30, 2024

	Arising during the period (NT\$'000)	Reclassification during the period (NT\$'000)	Subtotal (NT\$'000)	Income tax benefit (expense) (NT\$'000)	OCI, Net of tax (NT\$'000)
<u>To be reclassified to profit or loss in subsequent period:</u>					
Exchange differences arising on translation of foreign operations	\$ (27,672)	\$ -	\$ (27,672)	\$ (16)	\$ (27,688)

For the three-month period ended September 30, 2023

	Arising during the period (NT\$'000)	Reclassification during the period (NT\$'000)	Subtotal (NT\$'000)	Income tax benefit (expense) (NT\$'000)	OCI, Net of tax (NT\$'000)
<u>To be reclassified to profit or loss in subsequent period:</u>					
Exchange differences arising on translation of foreign operations	\$ 129,663	\$ -	\$ 129,663	\$ -	\$ 129,663
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	10,229	-	10,229	-	10,229
Total OCI	\$ 139,892	\$ -	\$ 139,892	\$ -	\$ 139,892

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For the nine-month period ended September 30, 2024

	Arising during the period (NT\$'000)	Reclassification during the period (NT\$'000)	Subtotal (NT\$'000)	Income tax benefit (expense) (NT\$'000)	OCI, Net of tax (NT\$'000)
<u>To be reclassified to profit or loss in subsequent period:</u>					
Exchange differences arising on translation of foreign operations	\$138,820	\$-	\$138,820	\$(58)	\$138,762

For the nine-month period ended September 30, 2023

	Arising during the period (NT\$'000)	Reclassification n during the period (NT\$'000)	Subtotal (NT\$'000)	Income tax benefit (expense) (NT\$'000)	OCI, Net of tax (NT\$'000)
<u>To be reclassified to profit or loss in subsequent period:</u>					
Exchange differences arising on translation of foreign operations	\$35,896	\$-	\$35,896	\$-	\$35,896
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	20,038	-	20,038	-	20,038
Total OCI	\$55,934	\$-	\$55,934	\$-	\$55,934

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(27) Income tax

A. The major components of income tax expense (income) were as follows:

Income tax expense (income) recognized in profit or loss

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2024	2023	2024	2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Current income tax expense (income):				
Current income tax charge	\$158,638	\$66,992	\$324,195	\$193,665
Adjustments in respect of current income tax of prior periods	(83,695)	(284)	(94,919)	(52,423)
Deferred tax expense (income):				
Deferred tax expense (income) relating to origination and reversal of temporary differences	(552)	3,054	(29,934)	9,561
Total income tax expense	<u>\$74,391</u>	<u>\$69,762</u>	<u>\$199,342</u>	<u>\$150,803</u>

B. The assessment of income tax return

As of September 30, 2024, the assessment status of income tax returns of the Company and subsidiaries was as follows:

	<u>The assessment of income tax returns</u>
The Company	Assessed and approved up to 2022
Subsidiary-Pegavision Corporation	Assessed and approved up to 2021
Subsidiary-Kinsus Investment Co., Ltd.	Assessed and approved up to 2022
Subsidiary-BeautyTech Platform Corporation	Assessed and approved up to 2022
Subsidiary-Mayin Investment Co., Ltd.	Assessed and approved up to 2022
Subsidiary-FacialBeau International Corporation	Assessed and approved up to 2022

(28) Earnings per share

Basic earnings per share is calculated by dividing net profit for the year attributable to the common shareholders of the parent entity by the weighted average number of common shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting any influences) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

A. Basic earnings per share

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2024	2023	2024	2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Net income (losses) attributable to ordinary equity holders of the Company (in NT\$'000)	\$185,268	\$(343,033)	\$298,327	\$(315,868)
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand shares)	453,390	451,999	453,390	451,999
Basic earnings (losses) per share (in NT\$)	\$0.41	\$(0.76)	\$0.66	\$(0.70)

B. Diluted earnings per share

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2024	2023	2024	2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Net income (losses) attributable to ordinary equity holders of the Company (in NT\$'000)	\$185,268	\$(343,033)	\$298,327	\$(315,868)
Net income (losses) attributable to ordinary equity holders of the Company after dilution (NT\$'000)	\$185,268	\$(343,033)	\$298,327	\$(315,868)

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	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2024	2023	2024	2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand shares)	453,390	451,999	453,390	451,999
Effect of dilution:				
Employee compensation — stock (in thousand shares)	370	Note	377	Note
Restricted stocks (in thousand shares)	65	Note	65	Note
Weighted average number of ordinary shares outstanding after dilution (in thousand shares)	453,825	451,999	453,832	451,999
Diluted earnings (losses) per share (in NT\$)	\$0.41	\$(0.76)	\$0.66	\$(0.70)

Note : It is not applicable due to anti-dilutive effect.

No other transactions that would significantly change the outstanding common shares or potential common shares incurred during the period after reporting date and up to the approval date of financial statements.

(29) Subsidiary that has material non-controlling interests

Financial information of subsidiaries that have material non-controlling interests were provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country	As of		
		9/30/2024	12/31/2023	9/30/2023
PIOTEK HOLDINGS LTD. and its subsidiary	China	49.00%	49.00%	49.00%
Pegavision Corporation and its subsidiary	Taiwan	70.45%	70.45%	70.45%

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Accumulated balances of material non-controlling interest:

	As of		
	9/30/2024	12/31/2023	9/30/2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)
PIOTEK HOLDINGS LTD. and its subsidiary	\$408,518	\$412,323	\$423,605
Pegavision Corporation and its subsidiary	\$7,526,173	\$7,051,914	\$6,652,990

Profit (loss) allocated to material non-controlling interest:

	For the nine-month period ended September 30,	
	2024	2023
	(NT\$'000)	(NT\$'000)
PIOTEK HOLDINGS LTD. and its subsidiary	\$(15,923)	\$(67,101)
Pegavision Corporation and its subsidiary	\$1,019,659	\$773,332

The summarized financial information of these subsidiaries was provided below. This information was based on amounts before inter-company eliminations.

Summarized PIOTEK HOLDINGS LTD. and its subsidiary information of profit or loss is as follows:

	For the nine-month period ended September 30,	
	2024	2023
	(NT\$'000)	(NT\$'000)
Operating revenue	\$-	\$(155)
Profit/loss from continuing operation	(32,508)	(136,938)
Total comprehensive income for the period	(7,762)	(147,468)

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Summarized Pegavision Corporation and its subsidiary information of profit or loss is as follows:

	For the nine-month period ended September 30,	
	2024 (NT\$'000)	2023 (NT\$'000)
Operating revenue	\$5,022,500	\$4,752,101
Profit/loss from continuing operation	1,440,030	1,100,361
Total comprehensive income for the period	1,455,939	1,097,438

Summarized PIOTEK HOLDINGS LTD. and its subsidiary information of financial position is as follows:

	As of		
	9/30/2024 (NT\$'000)	12/31/2023 (NT\$'000)	9/30/2023 (NT\$'000)
Current assets	\$263,410	\$324,640	\$181,967
Non-current assets	576,624	621,352	700,238
Current liabilities	6,300	56,811	11,587
Non-current liabilities	-	47,685	6,100

Summarized Pegavision Corporation and its subsidiary information of financial position is as follows:

	As of		
	9/30/2024 (NT\$'000)	12/31/2023 (NT\$'000)	9/30/2023 (NT\$'000)
Current assets	\$6,008,738	\$7,874,620	\$7,045,172
Non-current assets	8,499,119	5,984,232	5,391,816
Current liabilities	3,187,856	3,306,832	2,552,541
Non-current liabilities	671,299	571,780	469,293

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Summarized PIOTEK HOLDINGS LTD. and its subsidiary cash flows information is as follows:

	For the nine-month period ended September 30,	
	2024	2023
	(NT\$'000)	(NT\$'000)
Operating activities	\$(15,656)	\$(6,623)
Investing activities	(129)	(231)
Financing activities	(47,685)	(22,163)
Net increase/(decrease) in cash and cash equivalents	(58,309)	(73,882)

Summarized Pegavision Corporation and its subsidiary cash flows information is as follows:

	For the nine -month period ended September 30,	
	2024	2023
	(NT\$'000)	(NT\$'000)
Operating activities	\$3,058,794	\$1,428,734
Investing activities	(2,021,949)	(2,650,126)
Financing activities	(940,214)	1,745,496
Net increase/(decrease) in cash and cash equivalents	109,661	519,169

7. RELATED PARTY TRANSACTIONS

(1) Deal with related parties as of the end of the reporting period

Related parties and Relationship

Related parties	Relationship
Pegatron Corporation	Parent company
ASFLY TRAVEL SERVICE LTD.	Other related parties
AzureWave Technologies (Shanghai) Inc.	Other related parties
Maintek Computer (Suzhou) Co., Ltd	Other related parties
Casetek Computer (Suzhou) Co., Ltd.	Other related parties
GNDC Co., Ltd.	Other related parties
COTEK ELECTRONICS(SUZHOU) CO., LTD.	Other related parties
ASIAROCK TECHNOLOGY LIMITED	Other related parties
PEGATRON JAPAN INC	Other related parties
PEGATRON CZECH S.R.O	Other related parties

(2) Significant transactions with related parties

A. Sales

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2024	2023	2024	2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Parent company	\$2	\$-	\$37	\$13
Other related parties	-	-	-	21
Total	\$2	\$-	\$37	\$34

Selling prices and collection terms to related parties are similar to those to third party customers for the nine-month periods ended September 30, 2024 and 2023. The collection terms are 30 to 90 days from the end of delivery month by telegraphic transfer.

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B. Lease-related parties

(a) Right-of-use asset

Related parties	Nature	As of		
		9/30/2024 (NT\$'000)	12/31/2023 (NT\$'000)	9/30/2023 (NT\$'000)
Parent company	Buildings	\$-	\$165,302	\$190,098
Other related parties	Buildings	-	-	1,226
Total		<u>\$-</u>	<u>\$165,302</u>	<u>\$191,324</u>

(b) Lease liabilities

Related parties	As of		
	9/30/2024 (NT\$'000)	12/31/2023 (NT\$'000)	9/30/2023 (NT\$'000)
Parent company	\$-	\$166,949	\$191,706
Other related parties	-	-	1,229
Total	<u>\$-</u>	<u>\$166,949</u>	<u>\$192,935</u>

(c) Interest expense

Related parties	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2024 (NT\$'000)	2023 (NT\$'000)	2024 (NT\$'000)	2023 (NT\$'000)
Parent company	\$20	\$597	\$469	\$2,013
Other related parties	-	4	-	6
Total	<u>\$20</u>	<u>\$601</u>	<u>\$469</u>	<u>\$2,019</u>

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(d) Lease payment (Rental expense)

		For the three-month period ended September 30,		For the nine-month period ended September 30,	
		2024	2023	2024	2023
Related parties	Nature of lease	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Parent company	Buildings	\$-	\$34	\$34	\$161

Note : The lease agreement for the right to use assets with Pegatron Corporation was terminated in March, 2024.

(e) Rent income

				For the three-month period ended September 30,		For the nine-month period ended September 30,	
				2024	2023	2024	2023
Related parties	Duration	Lease	Method of collection	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Parent company	2024.04.01~ 2026.03.31	Buildings	Redeemed on the 10th of each month	\$8,480	\$-	\$16,956	\$-

C. For the nine-month periods ended September 30, 2024 and 2023, the Group recognized operating expenses of NT\$4,103 thousand and NT\$5,885 thousand, respectively, for services provided by other related parties.

Moreover, for the nine-month periods ended September 30, 2024 and 2023, the Group recognized operating expenses of NT\$386 thousand and NT\$96 thousand (tax included), respectively, for services provided by the Parent.

In addition, for the nine-month periods ended September 30, 2024 and 2023, the Group incurred operating expenses of NT\$45,497 thousand and NT\$84,149 thousand (tax included), respectively, for utility bills paid by the Parent on behalf of the Group.

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D. Accounts receivable - related parties

	As of		
	9/30/2024	12/31/2023	9/30/2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Other related parties	\$-	\$367	\$161
Less: allowance for doubtful accounts	-	-	-
Net	<u>\$-</u>	<u>\$367</u>	<u>\$161</u>

E. Other receivables

	As of		
	9/30/2024	12/31/2023	9/30/2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Parent company	<u>\$6,975</u>	<u>\$-</u>	<u>\$-</u>

F. Prepaid expenses

	As of		
	9/30/2024	12/31/2023	9/30/2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Parent company	\$-	\$14,742	\$14,105
Other related parties	488	1,171	728
Total	<u>\$488</u>	<u>\$15,913</u>	<u>\$14,833</u>

G. Refundable deposits

	As of		
	9/30/2024	12/31/2023	9/30/2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Parent company	\$-	\$10,000	\$10,000
Other related parties	244	586	364
Total	<u>\$244</u>	<u>\$10,586</u>	<u>\$10,364</u>

H. Other payables

	As of		
	9/30/2024	12/31/2023	9/30/2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Parent company	\$188	\$33,353	\$29,461
Other related parties	6,531	81,521	10,914
Total	\$6,719	\$114,874	\$40,375

I. Property transaction with related party

(a) Acquisition of Assets

Variety	Related parties	Acquisition Price	Reference basis for price decision
<u>2024.07.01~2024.09.30</u>			
Machinery	Parent company	\$-	By Bidding
Machinery	Other related parties	\$4,840	By Bidding
<u>2024.01.01~2024.09.30</u>			
Machinery	Parent company	\$5,667	By Bidding
Machinery	Other related parties	\$87,968	By Bidding
<u>2023.07.01~2024.09.30</u>			
Machinery	Parent company	\$693	By Bidding
Machinery	Other related parties	\$9,738	By Bidding
<u>2023.01.01~2023.09.30</u>			
Machinery	Parent company	\$14,343	By Bidding
Machinery	Other related parties	\$205,426	By Bidding

J. On September 21, 2023, the Company's board of directors resolved to purchase Land and Buildings from the related party. Pegatron Corporation, and the total transaction amounted to NT\$3,040,000 thousand (exclude business tax). In March 2024, Land and Buildings transfer have been completed.

K. Salaries and rewards to key management of the Group

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2024	2023	2024	2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
Short-term employee benefits	\$7,465	\$76,246	\$58,868	\$123,176
Post-employment benefits	216	225	648	711
Total	\$7,681	\$76,471	\$59,516	\$123,887

8. PLEDGED ASSETS

The following assets of the Group are pledged as collaterals:

Item	Carrying Amount As of			Purpose
	9/30/2024 (NT\$'000)	12/31/2023 (NT\$'000)	9/30/2023 (NT\$'000)	
Property, plant and equipment – Land (carrying amount)	\$196,960	\$196,960	\$196,960	Long-term secured loans
Property, plant and equipment – Buildings (carrying amount)	91,849	112,677	121,340	Long-term secured loans
Refundable deposits	2,000	2,000	2,000	Security deposit to custom authority
Total	\$290,809	\$311,637	\$320,300	

9. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) The Group's unused letters of credit (LC) as of September 30, 2024 are as follows:

Currency	LC Amount (in thousand)		Security (in thousand)
JPY	JPY	\$837,380	\$-
USD	USD	3,970	-
EUR	EUR	3,731	-

- (2) Details of significant constructions in progress and outstanding contracts of property, plant and equipment as of September 30, 2024 are as follows:

<u>Nature of Contract</u>	<u>Contract Amount (NT\$'000)</u>	<u>Amount Paid (NT\$'000)</u>	<u>Outstanding Balance (NT\$'000)</u>
Machinery and construction contracts	\$15,231,764	\$12,545,670	\$2,686,094
Buildings	1,984,330	1,294,034	690,296
Total	<u>\$17,216,094</u>	<u>\$13,839,704</u>	<u>\$3,376,390</u>

Amount paid above was recognized as construction in progress, equipment awaiting inspection and prepayment for acquiring machinery.

- (3) The Group has entered into a long-term sales agreement with its customer. The customer should fulfill its obligation of making a certain number of orders as agreed in the agreement and the Group shall provide the products to the customer pursuant to the agreement.
- (4) The Group entered into long-term sales agreements with its customers. According to the agreement, after customers pay the deposit in advance, the Group shall provide the products to the customer pursuant to the agreement.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENT

None.

12. OTHERS

(1) Categories of financial instruments

Financial assets

	As of		
	9/30/2024	12/31/2023	9/30/2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Financial assets at fair value through profit or loss:			
Mandatorily measured at fair value through P/L	\$2,142,648	\$3,194,224	\$1,342,200
Financial assets at fair value through OCI	51,000	51,000	51,000
Financial assets measured at amortized cost (Note)	19,991,099	22,258,875	23,522,954
Total	<u>\$22,184,747</u>	<u>\$25,504,099</u>	<u>\$24,916,154</u>

Financial liabilities

	As of		
	9/30/2024	12/31/2023	9/30/2023
	(NT\$'000)	(NT\$'000)	(NT\$'000)
Financial liabilities at amortized cost:			
Short-term borrowings	\$2,816,775	\$1,408,619	\$971,441
Trade and other payables	7,760,689	8,457,072	7,159,256
Long-term borrowings (including current portion with maturity less than 1 year)	17,305,567	17,077,722	17,318,539
Lease liabilities (including current portion with maturity less than 1 year)	109,806	273,320	293,577
Total	<u>\$27,992,837</u>	<u>\$27,216,733</u>	<u>\$25,742,813</u>

Note: Financial assets measured at amortized cost includes cash and cash equivalents, financial assets measured at amortized cost, notes receivable, trade receivables (including related party) and other receivables (including related party).

(2) Objectives and policies of financial risk management

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies, measures, and manages the risks based on its policy and risk preferences.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies always.

(3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market risk comprises currency risk, interest rate risk and other price risk (e.g. equity instruments).

In practice, it is rarely the case that a single risk variable will change independently from other risk variables. There are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to foreign currency risk relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign operations.

The Group has certain foreign currency receivables denominated in the same foreign currency as certain foreign currency payables, therefore natural hedge is achieved. Thus, hedge accounting is not adopted.

Foreign currency sensitivity analysis of possible change in foreign exchange rates on the Group's profit/loss and equity is performed on significant monetary items denominated in foreign currencies as of the reporting period-end. The Group's foreign currency risk is mainly related to volatility in the exchange rates of US dollars. It is stated as follows:

If NT dollars appreciates/depreciates against US dollars by 1%, net income (loss) for the nine-month periods ended September 30, 2024 and 2023 would decrease/increase by NT\$102,637 thousand and NT\$120,605 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk relates primarily to the Group's investments with variable interest rates and loans with fixed and variable interest rates, which are all categorized as loans and receivables.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period and presumed to be held for one accounting year, including investments and loans with variable interest rates. If interest rate increases/decreases by 0.1%, the net income (loss) for the nine-month periods ended September 30, 2024 and 2023 would decrease/increase by NT\$17,392 thousand and decrease/increase by NT\$14,894 thousand, respectively.

(4) Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a contract and result in a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts and notes receivable) and from its financing activities including bank deposits and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit risk of all customers are assessed based on a comprehensive review of the customers' financial status, credit ratings from credit institutions, past transactions, current economic conditions and the Group's internal credit ratings. The Group also employs some credit enhancement instruments (e.g. prepayment or insurance) to reduce certain customers' credit risk.

As of September 30, 2024, December 31, 2023 and September 30, 2023, receivables from the top ten customers were accounted for 53.02%, 57.47% and 49.25% of the Group's total accounts receivable, respectively. The concentration of credit risk is relatively insignificant for the remaining receivables.

Credit risk from balances with banks and other financial instruments is managed by the Group's finance division in accordance with the Group's policy. The counterparties that the Group transacts with are determined by internal control procedures. They are banks with fine credit ratings and financial institutions, corporate and government agencies with investment-grade credit ratings. Thus, there is no significant default risk. Conclusively, no significant credit risk is expected by the Group.

The Group adopted IFRS 9 to assess the expected credit losses. Except for trade receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories. The Group makes an assessment at each reporting date as to whether the credit risk still meets the conditions of low credit risk and then further determines the method of measuring the loss allowance and the loss ratio.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

(5) Liquidity risk management

The Group maintains financial flexibility using cash and cash equivalents, highly-liquid marketable securities, bank loans, etc. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted interest payment relating to borrowings with variable interest rates is extrapolated based on the estimated yield curve as of the end of the reporting period.

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Non-derivative financial instruments

	Less than 1 year (NT\$'000)	1 to 2 years (NT\$'000)	2 to 3 years (NT\$'000)	3 to 4 years (NT\$'000)	4 to 5 years (NT\$'000)	More than 5 years (NT\$'000)	Total (NT\$'000)
<u>As of September 30, 2024</u>							
Loans	\$5,684,141	\$4,148,662	\$3,592,089	\$3,057,187	\$2,565,183	\$2,005,723	\$21,052,985
Payables	7,760,689	-	-	-	-	-	7,760,689
Lease liabilities	34,074	27,164	19,804	13,805	9,729	8,695	113,271

As of December 31, 2023

Loans	\$3,466,559	\$3,047,907	\$3,742,524	\$2,873,589	\$2,667,549	\$3,708,447	\$19,506,575
Payables	8,457,072	-	-	-	-	-	8,457,072
Lease liabilities	135,797	91,115	17,811	11,905	8,382	13,220	278,230

As of September 30, 2023

Loans	\$2,855,467	\$2,686,652	\$3,797,138	\$3,050,867	\$2,646,898	\$4,286,963	\$19,323,985
Payables	7,159,256	-	-	-	-	-	7,159,256
Lease liabilities	134,250	114,418	15,697	11,015	8,014	15,539	298,933

(6) Movement schedule of liabilities arising from financing activities

Movement schedule of liabilities for the nine-month period ended September 30, 2024:

	Short-term borrowings (NT\$'000)	Long-term borrowings (NT\$'000)	Refundable deposits (NT\$'000)	Leases liabilities (NT\$'000)	Total liabilities from financing activities (NT\$'000)
As of January 1, 2024	\$1,408,619	\$17,077,722	\$5,153,971	\$273,320	\$23,913,632
Cash flows	1,408,156	207,310	114,379	(55,869)	1,673,976
Non-cash changes					
Lease range changes	-	-	-	(110,656)	(110,656)
Interests on lease liabilities	-	-	-	1,585	1,585
Other	-	20,535	-	-	20,535
Currency rate change	-	-	-	1,426	1,426
As of September 30, 2024	\$2,816,775	\$17,305,567	\$5,268,350	\$109,806	\$25,500,498

Movement schedule of liabilities for the nine-month period ended September 30, 2023:

	Short-term borrowings	Long-term borrowings	Refundable deposits	Leases liabilities	Total liabilities from financing activities
	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)	(NT\$'000)
As of January 1, 2023	\$376,620	\$12,075,501	\$4,884,255	\$363,360	\$17,699,736
Cash flows	594,821	5,210,665	221,565	(105,774)	5,921,277
Non-cash changes					
Lease range changes	-	-	-	32,852	32,852
Interests on lease liabilities	-	-	-	2,770	2,770
Other	-	(19,024)	-	-	(19,024)
Currency rate change	-	51,397	-	369	51,766
As of September 30, 2023	\$971,441	\$17,318,539	\$5,105,820	\$293,577	\$23,689,377

(7) Fair values of financial instruments

A. The evaluation methods and assumptions applied in determining the fair value

Fair value is the price that would be received to sell a financial asset or paid to transfer a financial liability in an orderly transaction between willing market participants (not under coercion or liquidation). The following methods and assumptions are used by the Group in estimating the fair values of financial assets and liabilities:

- (a) The carrying amount of cash and cash equivalents, receivables, payables and other current liabilities approximate their fair value due to their short maturity terms.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (e.g. listed equity securities, beneficiary certificates, bonds and futures etc.) at the report date.

(c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

(d) Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and liabilities measure at amortized cost approximates their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(8) for fair value measurement hierarchy for financial instruments of the Group.

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As of September 30, 2024

	Level 1 (NT\$'000)	Level 2 (NT\$'000)	Level 3 (NT\$'000)	Total (NT\$'000)
<u>Financial assets:</u>				
Financial assets at fair value through profit or loss				
Funds	\$2,142,648	\$-	\$-	\$2,142,648
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	-	-	51,000	51,000
<u>Financial liabilities:</u>				
None				

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As of December 31, 2023

	Level 1 (NT\$'000)	Level 2 (NT\$'000)	Level 3 (NT\$'000)	Total (NT\$'000)
<u>Financial assets:</u>				
Financial assets at fair value through profit or loss				
Funds	\$3,194,224	\$-	\$-	\$3,194,224
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	-	-	51,000	51,000
<u>Financial liabilities:</u>				
None				

As of September 30, 2023

	Level 1 (NT\$'000)	Level 2 (NT\$'000)	Level 3 (NT\$'000)	Total (NT\$'000)
<u>Financial assets:</u>				
Financial assets at fair value through profit or loss				
Funds	\$1,342,200	\$-	\$-	\$1,342,200
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	-	-	51,000	51,000
<u>Financial liabilities</u>				
None				

Transfers between Level 1 and Level 2 during the period

For the nine-month period ended September 30, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value hierarchy.

Reconciliations for fair value measurement on a recurring basis in Level 3 hierarchy

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets
	Financial assets at fair value through other comprehensive income
	Stocks
Beginning balances as of January 1, 2024	\$51,000
Total gains and losses recognized for the nine-month period ended September 30, 2024:	
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income”)	-
Ending balances as of September 30, 2024	\$51,000

	Assets
	Financial assets at fair value through other comprehensive income
	Stocks
Beginning balances as of January 1, 2023	\$51,000
Total gains and losses recognized for the nine-month period ended September 30, 2023:	
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income”)	-
Ending balances as of September 30, 2023	\$51,000

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Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of September 30, 2024

	Valuation	Significant	Quantitative	Relationship	Sensitivity of the input to
	techniques	unobservable	information	between inputs and	fair value
		inputs		fair value	fair value
Financial assets at fair value through other comprehensive income					
Stocks	Comparable listed OTC companies law	Discount for lack of marketability	10%	The higher the discount for lack of marketability, the lower the fair value of the stocks	5% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's equity by NT\$2,295 thousand

As of December 31, 2023

	Valuation	Significant	Quantitative	Relationship	Sensitivity of the input to
	techniques	unobservable	information	between inputs and	fair value
		inputs		fair value	fair value
Financial assets at fair value through other comprehensive income					
Stocks	Comparable listed OTC companies law	Discount for lack of marketability	10%	The higher the discount for lack of marketability, the lower the fair value of the stocks	5% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's equity by NT\$2,295 thousand

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As of September 30, 2023

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets at fair value through other comprehensive income					
Stocks	Comparable listed OTC companies law	Discount for lack of marketability	10%	The higher the discount for lack of marketability, the lower the fair value of the stocks	5% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's equity by NT\$2,295 thousand

(9) Significant financial assets and liabilities denominated in foreign currencies

Information regarding the Group's significant financial assets and liabilities denominated in foreign currencies was listed below: (In Thousands)

	As of					
	9/30/2024			12/31/2023		
	Foreign Currencies (\$'000)	Exchange Rate	NTD (NT\$'000)	Foreign Currencies (\$'000)	Exchange Rate	NTD (NT\$'000)
<u>Financial assets</u>						
Monetary items:						
USD	\$387,244	31.6551	\$12,258,239	\$428,080	30.713	\$13,147,674
CNY	\$96,479	4.5181	\$435,901	\$84,805	4.338	\$367,923
<u>Financial liabilities</u>						
Monetary items:						
USD	\$62,998	31.6601	\$1,994,523	\$62,205	30.725	\$1,911,255
CNY	\$207,589	4.5181	\$937,903	\$90,235	4.338	\$391,441

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	As of		
	9/30/2023		
	Foreign Currencies (\$'000)	Exchange Rate	NTD (NT\$'000)
<u>Financial assets</u>			
Monetary items:			
USD	\$414,125	32.2848	\$13,369,925
CNY	\$85,586	4.4952	\$384,731
<u>Financial liabilities</u>			
Monetary items:			
USD	\$40,571	32.2749	\$1,309,436
CNY	\$80,347	4.4952	\$361,178

The above information is disclosed based on the carrying amount of foreign currency (after being converted to functional currency).

Foreign exchange gain/loss on monetary financial assets and liabilities is shown as below.

	For the nine-month period ended September 30,	
	2024	2023
Foreign currency resulting in exchange gain or loss	(NT\$'000)	(NT\$'000)
USD	\$34,544	\$79,270
Other	32,737	14,862

(10)Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximize shareholder value. The Group manages and adjusts its capital structure considering changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. ADDITIONAL DISCLOSURES

(1) Information on significant transactions

A. Financing provided to others: None.

B. Endorsement/Guarantee provided to others: None.

C. Marketable securities held as of September 30, 2024 (excluding investments in subsidiaries, associates and joint ventures): Please refer to attachment 2.

D. Individual securities acquired or disposed of with accumulated amount of at least NT\$300 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2024: None.

E. Acquisition of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2024: None.

F. Disposal of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2024: None.

G. Related party transactions with purchase or sales amount of at least NT\$100 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2024: Please refer to attachment 3.

H. Receivables from related parties of at least NT\$100 million or 20 percent of the paid-in capital as of September 30, 2024: None.

I. Derivative instrument transactions: None.

J. Intercompany relationships and significant intercompany transactions for the nine-month period ended September 30, 2024: Please refer to attachment 10.

(2) Information on investees

A. Investees over whom the Company exercises significant influence or control (excluding investees in Mainland China): Please refer to attachment 4.

B. Investees over which the Company exercises control shall be disclosed of information under Note 13(1):

(a) Financing provided to others: None.

(b) Endorsement/Guarantee provided to others: Please refer to attachment 1.

(c) Marketable securities held as of September 30, 2024 (excluding investments in subsidiaries, associates and joint ventures): Please refer to attachment 5.

(d) Individual securities acquired or disposed of with accumulated amount of at least NT\$300 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2024: Please refer to attachment 6.

(e) Acquisition of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2024: Please refer to attachment 7.

(f) Disposal of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2024: None.

(g) Related party transactions with purchase or sales amount of at least NT\$100 million or 20 percent of the paid-in capital for the nine-month period ended September 30, 2024: Please refer to attachment 8.

(h) Receivables from related parties of at least NT\$100 million or 20 percent of the paid-in capital as of September 30, 2024: Please refer to attachment 9.

(i) Derivative instrument transactions: None.

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(3) Information on investments in Mainland China:

A. Name of investee in China, main business, paid-in capital, method of investment, investment flows, percentage of ownership, investment gain or loss, carrying amount at the end of reporting period, inward remittance of earning or loss and the upper limit on investment in China:

(In Thousands of New Taiwan Dollars)

Name of Investee in China	Main Business	Paid-in Capital (NT\$'000)	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of Sep. 1, 2024 (NT\$'000)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Sep. 30, 2024 (NT\$'000)	Profit/ Loss of Investee (NT\$'000)	Percentage of Ownership (Direct or Indirect Investment)	Share of Profit/Loss (NT\$'000)	Carrying Amount as of Sep. 30, 2024 (NT\$'000)	Accumulated Inward Remittance of Earnings as of Sep. 30, 2024 (NT\$'000)	Accumulated Outflow of Investment from Taiwan to Mainland China as of Sep. 30, 2024 (NT\$'000)	Investment Amounts Authorized by Investment Commission, MOEA (NT\$'000)	Upper Limit on Investment in China by Investment Commission, MOEA (NT\$'000)
					Outflow (NT\$'000)	Inflow (NT\$'000)									
Kinsus Interconnect Technology Suzhou Corp.	Manufacturing and selling PCB (not high-density fine-line)	\$2,216,200 (Note 2)	(2)	\$2,216,200 (Note 2)	\$-	\$-	\$2,216,200 (Note 2)	\$ (97,580) (Note 2 and Note 4)	100%	\$ (97,580) (Note 2, Note 4 and Note 11)	\$1,895,200 (Note 2, Note 4 and Note 11)	\$968,796	\$1,247,404 (Note 2)	\$1,247,404 (Note 2)	No upper limit (Note 5)

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Name of Investee in China	Main Business	Paid-in Capital (NT\$'000)	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of Sep. 1, 2024 (NT\$'000)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Sep. 30, 2024 (NT\$'000)	Profit/ Loss of Investee (NT\$'000)	Percentage of Ownership (Direct or Indirect Investment)	Share of Profit/Loss (NT\$'000)	Carrying Amount as of Sep. 30, 2024 (NT\$'000)	Accumulated Inward Remittance of Earnings as of Sep. 30, 2024 (NT\$'000)	Accumulated Outflow of Investment from Taiwan to Mainland China as of Sep. 30, 2024 (NT\$'000)	Investment Amounts Authorized by Investment Commission, MOEA (NT\$'000)	Upper Limit on Investment in China by Investment Commission, MOEA (NT\$'000)
					Outflow (NT\$'000)	Inflow (NT\$'000)									
Piotek Computer (Suzhou) Co., Ltd.	Researching, developing, producing and selling electronic components, PCBs and related products and providing after-sale services	\$6,354,162 (Note 2)	(3) (Note 10)	\$2,984,082 (Note 2)	\$-	\$-	\$2,984,082 (Note 2)	\$(33,806) (Note 2 and Note 4)	51%	\$(17,241) (Note 2, Note 4 and Note 11)	\$389,251 (Note 2, Note 4 and Note 11)	\$-	\$2,984,082 (Note 2)	\$2,984,082 (Note 2)	No upper limit (Note 5)

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Name of Investee in China	Main Business	Paid-in Capital (NT\$'000)	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of Sep. 1, 2024 (NT\$'000)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Sep. 30, 2024 (NT\$'000)	Profit/ Loss of Investee (NT\$'000)	Percentage of Ownership (Direct or Indirect Investment)	Share of Profit/Loss (NT\$'000)	Carrying Amount as of Sep. 30, 2024 (NT\$'000)	Accumulated Inward Remittance of Earnings as of Sep. 30, 2024 (NT\$'000)	Accumulated Outflow of Investment from Taiwan to Mainland China as of Sep. 30, 2024 (NT\$'000)	Investment Amounts Authorized by Investment Commission, MOEA (NT\$'000)	Upper Limit on Investment in China by Investment Commission, MOEA (NT\$'000)
					Outflow (NT\$'000)	Inflow (NT\$'000)									
Pegavision (Jiangsu) Limited	Producing and Selling medical equipment	\$150,150 (USD 5,000)	(1)	\$101,205	\$48,945	\$-	\$150,150	\$(21,122) (Note 2 and Note 4)	29.55%	\$(6,242) (Note 2, Note 4 and Note 11)	\$33,677 (Note 2, Note 4 and Note 11)	\$-	\$150,150	\$150,150	\$6,389,221 (Note 6)
BeautyTech Platform (Shanghai) Corporation	Selling medical equipment and cosmetic products	\$14,885 (USD 500)	(3) (Note 3)	\$14,885	\$-	\$-	\$14,885	\$7,203 (Note 2 and Note 4)	29.55%	\$1,809 (Note 2, Note 4 and Note 11)	\$9,489 (Note 2, Note 4 and Note 11)	\$-	\$14,885	\$14,885	\$260,515 (Note 9)
Pegavision Contact Lenses (Shanghai) Corporation	Selling medical equipment	\$112,559 (USD 3,600)	(3) (Note 7)	\$112,559	\$-	\$-	\$112,559	\$10,612 (Note 2 and Note 4)	29.55%	\$2,665 (Note 2, Note 4 and Note 11)	\$36,384 (Note 2, Note 4 and Note 11)	\$-	\$95,043	\$95,043	

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Name of Investee in China	Main Business	Paid-in Capital (NT\$'000)	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of Sep. 1, 2024 (NT\$'000)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Sep. 30, 2024 (NT\$'000)	Profit/ Loss of Investee (NT\$'000)	Percentage of Ownership (Direct or Indirect Investment)	Share of Profit/Loss (NT\$'000)	Carrying Amount as of Sep. 30, 2024 (NT\$'000)	Accumulated Inward Remittance of Earnings as of Sep. 30, 2024 (NT\$'000)	Accumulated Outflow of Investment from Taiwan to Mainland China as of Sep. 30, 2024 (NT\$'000)	Investment Amounts Authorized by Investment Commission, MOEA (NT\$'000)	Upper Limit on Investment in China by Investment Commission, MOEA (NT\$'000)
					Outflow (NT\$'000)	Inflow (NT\$'000)									
Gemvision Technology (Zhejiang) Limited	Selling medical equipment	\$99,222 (RMB 22,000) (Note 2)	(3) (Note 8)	\$-	\$-	\$-	\$-	\$10,617 (Note 2 and Note 4)	29.55%	\$2,667 (Note 2, Note 4 and Note 11)	\$34,315 (Note 2, Note 4 and Note 11)	\$-	\$-	\$-	\$260,515 (Note 9)

Note 1: The investment methods are divided into the following three types, just indicate the types:

- (1) Go directly to the mainland for investment.
- (2) Reinvest in mainland China through a third-region company.
- (3) Other methods.

Note 2: Amounts in foreign currencies are translated into New Taiwan dollars using the exchange rates on the balance sheet date.

Note 3: 100% Shares of BeautyTech Platform (Shanghai) owned and directly invested by BeautyTech Platform Corporation.

Note 4: Gain/loss on investment is recognized based on the financial statements which were reviewed by the independent auditors of the parent company in Taiwan.

Note 5: The Company meets the conditions of corporate operation headquarter in the Principle of Evaluation for Investment and Technical Cooperation in Mainland China. Thus, there is no upper limit on investment amount.

Note 6: The upper limit on investment for Pegavision (Jiangsu) Limited is calculated as 60% of the net value of the recent financial statements reviewed by independent auditors of Pagavision Corporation.

Note 7: To improve the synergy of the Group, the equity of Pegavision Contact Lenses (Shanghai) Corporation was transferred to BeautyTech Platform Corporation from Pagavision Corporation.

Note 8: 100% Shares of Gemvision Technology owned and directly invested by Pegavision Contact Lenses (Shanghai) Corporation.

Note 9: The upper limit on investment for BeautyTech Platform (Shanghai) Corporation, Pegavision Contact Lenses (Shanghai) Corporation and Gemvision Technology (Zhejiang) Limited are calculated as 60% of the net value of the recent financial statements reviewed by independent auditors of BeautyTech Platform Corporation.

Note 10: Please refer to Note 4(3) for details.

Note 11: Transactions are eliminated upon preparation of consolidated financial statements.

B. Significant transactions with investees in China:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, please refer to attachment 10 for details.

(4) Information on major shareholders:

Ownership of shares Name	Number of shares held (shares)	Ownership ratio
Asus Investment Co., Ltd.	60,128,417	13.16%
Asustek Investment Co., Ltd.	58,233,091	12.75%
Asuspower Investment	55,556,221	12.16%

14. OPERATING SEGMENT

(1) For management purposes, the Group is organized into operating segments based on different products and services and has three reportable operating segments as follows:

IC Substrate: This segment produces and manufactures BGA substrates and sells the products to manufacturers of electronic products. For the year ended December 31, 2023, Piotek Computer (Suzhou) Corporation terminated its related business cessation plans, so the information of profit or loss and operating segment for the nine-month period ended September 30, 2023 was re-expressed in the financial statements.

Optics: This segment produces, manufactures and sells contact lens.

No operating segments have been aggregated to form the above reportable operating segments.

The Group's operating segments adopts the same accounting policies as the ones in Note 4. Management monitors the operating results of its business units separately for decision-making on resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and measured consistently with methods applied to operating profit or loss in the consolidated financial statements.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
Kinsus Interconnect Technology Corp.
Notes to Consolidated Financial Statements (Continued)

For the three-month period ended September 30, 2024

	IC Substrate (NT\$'000)	Optics (NT\$'000)	Elimination (NT\$'000)	Consolidated (NT\$'000)
Revenue				
External customer	\$6,538,175	\$1,658,945	\$-	\$8,197,120
Inter-segment	-	-	-	-
Total revenue	<u>\$6,538,175</u>	<u>\$1,658,945</u>	<u>\$-</u>	<u>\$8,197,120</u>
Segment profit (loss)	<u>\$44,489</u>	<u>\$443,560</u>	<u>\$-</u>	<u>\$488,049</u>

For the nine-month period ended September 30, 2024

	IC Substrate (NT\$'000)	Optics (NT\$'000)	Elimination (NT\$'000)	Consolidated (NT\$'000)
Revenue				
External customer	\$17,469,571	\$5,022,415	\$-	\$22,491,986
Inter-segment	-	-	-	-
Total revenue	<u>\$17,469,571</u>	<u>\$5,022,415</u>	<u>\$-</u>	<u>\$22,491,986</u>
Segment profit (loss)	<u>\$(137,445)</u>	<u>\$1,439,508</u>	<u>\$-</u>	<u>\$1,302,063</u>

For the three-month period ended September 30, 2023

	IC Substrate (NT\$'000)	Optics (NT\$'000)	Elimination (NT\$'000)	Consolidated (NT\$'000)
Revenue				
External customer	\$4,369,286	\$1,676,885	\$-	\$6,046,171
Inter-segment	-	-	-	-
Total revenue	<u>\$4,369,286</u>	<u>\$1,676,885</u>	<u>\$-</u>	<u>\$6,046,171</u>
Segment profit (loss)	<u>\$(474,889)</u>	<u>\$382,589</u>	<u>\$-</u>	<u>\$(92,300)</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
Kinsus Interconnect Technology Corp.
Notes to Consolidated Financial Statements (Continued)

For the nine-month period ended September 30, 2023

	IC Substrate (NT\$'000)	Optics (NT\$'000)	Elimination (NT\$'000)	Consolidated (NT\$'000)
Revenue				
External customer	\$14,591,098	\$4,751,626	\$-	\$19,342,724
Inter-segment	-	-	-	-
Total revenue	<u>\$14,591,098</u>	<u>\$4,751,626</u>	<u>\$-</u>	<u>\$19,342,724</u>
Segment profit (loss)	<u>\$(709,498)</u>	<u>\$1,099,861</u>	<u>\$-</u>	<u>\$390,363</u>

Details of assets and liabilities under the Group's operating segments are as follows:

<u>Segment assets</u>	IC Substrate (NT\$'000)	Optics (NT\$'000)	Elimination (NT\$'000)	Consolidated (NT\$'000)
As of 9/30/2024	<u>\$64,347,755</u>	<u>\$14,507,857</u>	<u>\$-</u>	<u>\$78,855,612</u>
As of 12/31/2023	<u>\$64,208,332</u>	<u>\$13,858,707</u>	<u>\$-</u>	<u>\$78,067,039</u>
As of 9/30/2023	<u>\$63,960,453</u>	<u>\$12,436,988</u>	<u>\$-</u>	<u>\$76,397,441</u>

<u>Segment liabilities</u>	IC Substrate (NT\$'000)	Optics (NT\$'000)	Elimination (NT\$'000)	Consolidated (NT\$'000)
As of 9/30/2024	<u>\$35,217,247</u>	<u>\$3,859,155</u>	<u>\$-</u>	<u>\$39,076,402</u>
As of 12/31/2023	<u>\$35,029,302</u>	<u>\$3,878,611</u>	<u>\$-</u>	<u>\$38,907,913</u>
As of 9/30/2023	<u>\$34,845,911</u>	<u>\$3,021,834</u>	<u>\$-</u>	<u>\$37,867,745</u>

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Endorsement/Guarantee Provided to Others

For the nine-month period ended September 30, 2024

Attachment I

(In Thousands of Foreign Currency / New Taiwan Dollars)

Endorsement/ Guarantee Provider		Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee secured by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Worth per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowed	Endorsement provided by parent company to subsidiaries	Endorsement provided by subsidiaries to parent company	Endorsement provided to entities in China
No. (Note 1)	Name	Name	Nature of Relationship										
-	-	-	-	-	\$-	\$-	\$-	\$-	-%	-	-	-	-

Note 1: Kinsus Interconnect Technology Corp. is coded "0".

Note 2: The endorsement and guaranteed amount of the Company and the consolidated subsidiary is NT\$185,584 thousand.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Marketable Securities Held (Excluding Investments in Subsidiaries, Associates and Joint Ventures)

As of September 30, 2024

Attachment 2

(In Thousands of New Taiwan Dollars)

Name of Held Company	Type and Name of Marketable Securities	Relationship with the Issuer	Financial Statement Account	As of September 30, 2024			Fair Value	Note
				Shares / Units	Carrying Amount	Shareholding %		
Kinsus Interconnect Technology Corp.	Money market funds:							
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss	21,355,432	\$257,509	-%	\$278,315	
	Jih Sun Money Market	-	Financial assets at fair value through profit or loss	17,776,549	255,443	-%	273,990	
	Subtotal				512,952		\$552,305	
	Add: Valuation adjustments of financial assets at fair value through profit or loss				39,353			
	Total				\$552,305			

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Related Party Transactions with Purchase or Sales Amount of At least NT\$ 100 Million or 20% of the Paid-in Capital

For the nine-month period ended September 30, 2024

Attachment 3

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/ Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Ending Balance	% to Total	
Kinsus Interconnect Technology Corp.	Kinsus Interconnect Technology Suzhou Corp.	Investee accounted for using equity method indirectly	Purchase	\$1,892,621	25.51%	Payment within 60 days from the end of delivery month	Specs of goods purchased are different from others. Cannot be reasonably compared.	Other vendors also enjoy payment within 30~90 days from the end of delivery month	Accounts payable \$(632,527)	25.59%	Note

Note: Transactions are eliminated when preparing the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
Kinsus Interconnect Technology Corp. and Subsidiaries
Names, Locations and Related Information of Investees
As of September 30, 2024

Attachment 4

(In Thousands of Foreign Currency / New Taiwan Dollars)

Investor	Investee	Business Location	Main Business and Product	Original Investment Amount		Balance as of September 30, 2024			Net Income (Loss) of the Investee	Share of Income (Loss) of the Investee	Note
				As of Dec. 31, 2023	As of Sep. 30, 2024	Shares	%	Carrying Value			
Kinsus Interconnect Technology Corp.	KINSUS CORP. (USA)	CA. U.S.A.	Designing substrates, formulating marketing strategy analysis, developing new customers, researching and development new product technology	USD 500	USD 500	500,000	100.00%	\$90,253	\$6,134	\$6,134	Note 1
Kinsus Interconnect Technology Corp.	KINSUS HOLDING (SAMOA) LIMITED	Samoa	Investing activities	USD 164,309	USD 164,309	164,308,720	100.00%	\$2,251,749	\$(115,291)	\$(107,013)	Note 1
Kinsus Interconnect Technology Corp.	Kinsus Investment Co., Ltd.	Taiwan	Investing activities	\$1,600,000	\$1,600,000	172,000,000	100.00%	\$3,418,569	\$392,198	\$392,198	Note 1
Kinsus Interconnect Technology Corp.	Pegavision Corporation	Taiwan	Manufacturing medical equipment	\$564,210	\$564,210	1,820,034	2.33%	\$246,515	\$1,422,281	\$33,187	Note 1
Kinsus Investment Co., Ltd.	Pegavision Corporation	Taiwan	Manufacturing medical equipment	\$252,455	\$252,455	21,233,736	27.22%	\$2,876,013	\$1,422,281	\$387,184	Note 1
Kinsus Investment Co., Ltd.	FuYang Technology Corp.	Taiwan	Electronic Parts and Components Manufacturing	\$929,422	\$929,422	64,176,872	35.65%	\$393,051	\$11,991	\$4,276	
Kinsus Investment Co., Ltd.	Zhuhe Investment Co., Ltd.	Taiwan	Investing activities	\$30,000	\$30,000	3,000,000	15.00%	\$29,700	\$(444)	\$(61)	
KINSUS HOLDING (SAMOA) LIMITED	KINSUS HOLDING (CAYMAN) LIMITED	Cayman Islands	Investing activities	USD 70,000	USD 70,000	70,000,000	100.00%	USD 59,861	USD (3,174)	USD (3,174)	Note 1
KINSUS HOLDING (SAMOA) LIMITED	PIOTEK HOLDINGS LTD. (CAYMAN)	Cayman Islands	Investing activities	USD 94,309	USD 94,309	95,755,000	51.00%	USD 11,347	USD (834)	USD (425)	Note 1
PIOTEK HOLDINGS LTD. (CAYMAN)	PIOTEK HOLDINGS LIMITED	British Virgin Islands	Investing activities	USD 139,841	USD 139,841	139,840,790	100.00%	USD 22,250	USD (834)	USD (834)	Note 1
PIOTEK HOLDINGS LIMITED	PIOTEK (H.K.) TRADING LIMITED	Hong Kong	Trading activities	USD 26	-	200,000	100.00%	USD - (Note 2)	USD 16	USD 16	Note 1
Pegavision Corporation	PEGAVISION JAPAN INC.	Japan	Selling medical equipment	JPY 9,900	JPY 9,900	198	100.00%	\$170,787	\$36,681	\$36,681	Note 1
Pegavision Corporation	Mayin Investment Co., Ltd.	Taiwan	Investing activities	\$246,003	\$246,003	21,000,000	100.00%	\$568,573	\$93,915	\$93,915	Note 1
Pegavision Corporation	PEGAVISION VIETNAM COMPANY LIMITED	Vietnam	Manufacturing and selling of medical equipment	\$170,830	\$631,333	-	100.00%	\$634,364	\$6,171	\$6,171	Note 1
Pegavision Corporation	Zhuhe Investment Co., Ltd.	Taiwan	Investing activities	\$20,000	\$20,000	2,000,000	10.00%	\$19,800	\$(41)	\$(41)	
Mayin Investment Co., Ltd.	BeautyTech Platform Corporation	Taiwan	Selling medical equipment and cosmetic products	\$107,500	\$107,500	8,500,000	85.00%	\$369,063	\$110,961	\$94,317	Note 1
Mayin Investment Co., Ltd.	FacialBeau International Corporation	Taiwan	Selling medical equipment and cosmetic products	\$27,500	\$27,500	2,750,000	55.00%	\$24,633	\$(844)	\$(464)	Note 1
BeautyTech Platform Corporation	Beautytech Platform (Singapore) Pte. Ltd.	Singapore	Selling medical equipment and cosmetic products	USD 200	USD 200	200,000	100.00%	\$5,921	\$(663)	\$(663)	Note 1
BeautyTech Platform Corporation	FORIMART Corporation	Taiwan	Selling medical equipment and cosmetic products	-	\$15,000	1,500,000	100.00%	\$14,994	\$(6)	\$(6)	Note 1
FacialBeau International Corporation	Aquamax Vision Corporation	U.S.A.	Selling medical equipment and cosmetic products	USD 1,100	USD 1,100	11,000,000	100.00%	\$6,839	\$(48)	\$(48)	Note 1
FacialBeau International Corporation	RODNA Co., Ltd.	Korea	Selling medical equipment and cosmetic products	KRW 100,000	KRW 100,000	-	100.00%	\$2,125	\$(136)	\$(136)	Note 1
FacialBeau International Corporation	IKIDO Inc.	Japan	Selling medical equipment and cosmetic products	JPY 9,900	JPY 9,900	198	100.00%	\$2,087	\$(19)	\$(19)	Note 1

Note : This includes investment losses accounted for using the equity method of NT\$115,291 thousand, realized benefits of current upstream transactions of NT\$10,987 thousand, and unrealized benefits of current upstream transactions of NT\$2,709 thousand.

Note 1: Transactions are eliminated when preparing the consolidated financial statements.

Note 2: PIOTEK (H.K.) TRADING LIMITED remitted the investment funds and accumulated profit or loss of USD 2,224 thousand in May 2024.

Kinsus Interconnect Technology Corp. and Subsidiaries

Marketable Securities Held (Excluding Investments in Subsidiaries, Associates and Jointly Ventures)

As of September 30, 2024

Attachment 5

(In Thousands of New Taiwan Dollars)

Name of Held Company	Type and Name of Marketable Securities	Relationship with the Issuer	Financial Statement Account	As of September 30, 2024				Guarantee, Pledge or Other Restricted Conditions		
				Shares (Unit)	Carrying Amount	%	Fair Value	Shares	Carrying Amount	Note
Kinsus Investment Co., Ltd.	Money market funds:									
	Taishin Ta Chong Money Market Fund	-	Financial assets at fair value through profit or loss	829,070	\$11,315	-%	<u>\$12,239</u>	-	<u>\$-</u>	
Pegavision Corporation	Money market funds:									
	Yuanta Wan-Tai Money Market Fund	-	Financial assets at fair value through profit or loss	366,690	5,753	-%	<u>\$1,326,112</u>	-	<u>\$-</u>	
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss	33,166,568	559,244	-%				
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss	1,366,785	17,700	-%				
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss	46,567,444	739,696	-%				
Mayin Investment Co., Ltd.	Money market funds:									
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss	392,329	5,000	-%	<u>\$31,409</u>	-	<u>\$-</u>	
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss	1,653,209	26,000					
BeautyTech Platform Corporation	Money market funds:									
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss	502,952	8,360	-%	<u>\$215,891</u>	-	<u>\$-</u>	
	Yuanta Wan-Tai Money Market Fund	-	Financial assets at fair value through profit or loss	2,221,592	34,235	-%				
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss	10,842,527	170,948	-%				
FacialBeau International Corporation	Money market funds:									
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss	295,561	4,660	-%	<u>\$4,692</u>	-	<u>\$-</u>	
	Valuation adjustments of financial assets held for trading				7,432					
	Total				<u>\$1,590,343</u>					
Kinsus Investment Co., Ltd.	Stocks:									
	Ethos Original Co., Ltd.	-	Measured at fair value through other comprehensive income	5,000,000	\$50,000	7.49%	\$50,000	-	\$-	
	Li Chang Finery Inc	-	Measured at fair value through other comprehensive income	32,653	1,000	1.01%	<u>1,000</u>	-	<u>-</u>	
	Total				<u>\$51,000</u>		<u>\$51,000</u>		<u>\$-</u>	

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Individual Securities Acquired or Disposed of with accumulated amount of At Least NT\$300 Million or 20% of The Paid-In Capital

For the nine-month period ended September 30, 2024

Attachment 6

(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance		Note
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain/Loss on Disposal	Shares/Units	Amount	
Pegavision Corporation	Money Market Funds:														
	Yuanta Wan-Tai Money Market Fund	Financial assets at fair value through profit or loss	-	-	6,400,626	<u>\$99,550</u>	37,958,477	<u>\$594,000</u>	43,992,413	<u>\$690,000</u>	<u>\$687,711</u> <u>\$(77)</u>	<u>\$2,289</u>	366,690	<u>\$5,762</u>	Note
	Yuanta De-Li Money Market Fund	Financial assets at fair value through profit or loss	-	-	6,475,107	<u>\$108,558</u>	45,625,414	<u>\$769,000</u>	18,933,953	<u>\$320,000</u>	<u>\$318,146</u> <u>\$2,433</u>	<u>\$1,854</u>	33,166,567	<u>\$561,845</u>	Note
	Mega Diamond Money Market Fund	Financial assets at fair value through profit or loss	-	-	88,870,417	<u>\$1,146,384</u>	22,920,354	<u>\$296,700</u>	110,423,986	<u>\$1,431,032</u>	<u>\$1,424,000</u> <u>\$(1,271)</u>	<u>\$7,032</u>	1,366,785	<u>\$17,813</u>	Note
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss	-	-	67,078,751	<u>\$1,055,719</u>	184,127,444	<u>\$2,911,600</u>	204,638,751	<u>\$3,236,000</u>	<u>\$3,226,461</u> <u>\$(166)</u>	<u>\$9,539</u>	46,567,444	<u>\$740,692</u>	Note

Note: It is the valuation adjustment related to the financial assets recognized at fair value.

Kinsus Interconnect Technology Corp. and Subsidiaries
Acquisition of Individual Real Estate with Amount of at Least NT\$ 300 million or 20% of the Paid-in Capital
For the nine-month period ended September 30, 2024

Attachment 7

(In Thousands of New Taiwan Dollars)

The Company that acquired the real estate	Property name	Date of occurrence (Note 1)	Transaction amount	Payment status	Transaction parties	Relationship	For related party transactions, the previous transfer data				The reference basis for price determination	The purpose of acquisition and its utilization	Other agreed-upon provisions
							All the parties	Relationship to the Company	Transfer date	Amount			
Pegavision Corporation	Land	9/21/2023 (Note 3)	<u>\$1,912,290</u>	By Contract	PEGATRON CORPORATION	Ultimate parent company	ASUSTEK COMPUTER INCORPORATION	Non-related party	97.1	Note 2	The price determined based on the valuation by a professional appraisal agency	Meeting business growth needs	None
Pegavision Corporation	Buildings	9/21/2023 (Note 3)	<u>\$1,127,710</u>	By Contract	PEGATRON CORPORATION	Ultimate parent company	ASUSTEK COMPUTER INCORPORATION	Non-related party	97.1	Note 2	The price determined based on the valuation by a professional appraisal agency	Meeting business growth needs	None

Note 1 : The date of occurrence of the event referred to means the date of agreement, date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of a resolution of the board of directors or a committee established by it, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.

Note 2 : The total transfer amount amounted to NT\$1,415,191 thousand.

Note 3: As of March 2024, Land and Buildings transfer have been completed.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Related Party Transactions with Purchase or Sales Amount of At least NT\$ 100 Million or 20% of the Paid-in Capital

For the nine-month period ended September 30, 2024

Attachment 8

(In Thousands of Foreign Currency / New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Ending Balance	% to Total	
Kinsus Interconnect Technology Suzhou Corp.	Kinsus Interconnect Technology Corp.	Parent company	Sales	USD 59,182	80.27%	Payment within 60 days from the end of delivery month	Specs of goods sold are different from others. Cannot be reasonably compared.	No non-related parties to be compared with.	Accounts receivable USD 20,521	 100.00%	Note
Pegavision Corporation	Pegavision Japan Inc.	Also a subsidiary under the Company's control	Sales	\$2,404,917	55.01%	Payment within 90 days from the end of delivery month	Similar to those to third party customers.	Payment within 90 days from telegraphic transfer.	Accounts receivable \$585,088	 54.41%	Note
Pegavision Corporation	BeautyTech Platform Corporation	Also a subsidiary under the Company's control	Sales	\$244,512	5.59%	Payment within 120 days from the end of delivery month	Similar to those to third party customers.	Payment within 90 days from telegraphic transfer.	Accounts receivable \$104,253	 9.69%	Note
Pegavision Corporation	Gemvision Technolog (Zhejiang) Limited	Also a subsidiary under the Company's control	Sales	\$146,723	3.36%	Payment within 180 days from the end of delivery month	Similar to those to third party customers.	Payment within 90 days from telegraphic transfer.	Accounts receivable \$105,125	 9.78%	Note

Note: Transactions are eliminated when preparing the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Receivables from Related Parties of at Least NT\$ 100 Million or 20% of the Paid-in Capital

As of September 30, 2024

Attachment 9

(In Thousands of Foreign Currency / New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Ratio	Overdue		Amount Received in Subsequent Periods	Loss Allowance
					Amount	Action Taken		
Kinsus Interconnect Technology Suzhou Corp.	Kinsus Interconnect Technology Corp.	Parent company	<u>USD 20,521</u> (Note and Note 2)	<u>5.12</u>	<u>\$-</u>	-	<u>\$-</u>	<u>\$-</u>
Pegavision Corporation	Pegavision Japan Inc.	Subsidiary	<u>\$585,088</u> (Note 1 and Note 2)	<u>5.48</u>	<u>\$-</u>	-	<u>\$159,916</u>	<u>\$-</u>
Pegavision Corporation	BeautyTech Platform Corporation	Subsidiary	<u>\$104,253</u> (Note 1 and Note 2)	<u>2.98</u>	<u>\$-</u>	-	<u>\$19,118</u>	<u>\$-</u>
Pegavision Corporation	Gemvision Technology (Zhejiang) Limited	Subsidiary	<u>\$105,125</u> (Note 1 and Note 2)	<u>2.38</u>	<u>\$48,888</u>	Subsequent recovery	<u>\$48,888</u>	<u>\$-</u>

Note: Other receivables.

Note 1: Accounts receivable.

Note 2: Transactions are eliminated when preparing the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Intercompany Relationships and Significant Intercompany Transactions for the Nine-Month Period Ended September 30, 2024

Attachment 10

(In Thousands of Foreign Currency / New Taiwan Dollars)

No. (Note 1)	Company Name	Counter-Party	Nature of Relationship (Note 2)	Intercompany Transaction			
				Financial Statement Account	Amount (Note 4)	Terms	Percentage to Consolidated Net Revenue or Total Assets (Note 3)
	<u>2024.01.01~2024.09.30</u>						
0	Kinsus Interconnect Technology Corp.	Kinsus Interconnect Technology Suzhou Corp.	1	Other receivables	\$137,868	Payment within 60 days from the end of delivery month	0.17%
0	Kinsus Interconnect Technology Corp.	Kinsus Interconnect Technology Suzhou Corp.	1	Accounts payable	\$632,527	Payment within 60 days from the end of delivery month	0.80%
0	Kinsus Interconnect Technology Corp.	Kinsus Interconnect Technology Suzhou Corp.	1	Sales revenue	\$28,943	Payment within 30 days from the end of delivery month	0.13%
0	Kinsus Interconnect Technology Corp.	Kinsus Interconnect Technology Suzhou Corp.	1	Purchase	\$1,892,621	Payment within 60 days from the end of delivery month	8.41%
0	Kinsus Interconnect Technology Corp.	Kinsus Interconnect Technology Suzhou Corp.	1	Sales of assets	\$140,099	-	0.62%
0	Kinsus Interconnect Technology Corp.	KINSUS CORP. (USA)	1	Commission expense	\$45,479	Payment within 30 days from the end of delivery month by TT	0.20%
1	Pegavision Corporation	PEGAVISION JAPAN INC.	3	Sales revenue	\$2,404,917	Payment within 90 days from the end of delivery month	10.69%
1	Pegavision Corporation	PEGAVISION JAPAN INC.	3	Accounts receivable	\$585,088	Payment within 90 days from the end of delivery month	0.74%
1	Pegavision Corporation	Gemvision Technology (Zhejiang) Limited	3	Sales revenue	\$146,723	Payment within 180 days from the end of delivery month	0.65%
1	Pegavision Corporation	Gemvision Technology (Zhejiang) Limited	3	Accounts receivable	\$105,125	Payment within 180 days from the end of delivery month	0.13%
1	Pegavision Corporation	BeautyTech Platform Corporation	3	Sales revenue	\$244,512	Payment within 120 days from the end of delivery month	1.09%
1	Pegavision Corporation	BeautyTech Platform Corporation	3	Accounts receivable	\$104,253	Payment within 120 days from the end of delivery month	0.13%
1	Pegavision Corporation	BeautyTech Platform Corporation	3	Operating expense	\$42,131	Payment within 120 days from the end of delivery month	0.19%
1	Pegavision Corporation	FacialBeau International Corporation	3	Sales revenue	\$16,651	Payment within 90 days from the end of delivery month	0.07%
2	FacialBeau International Corporation	BeautyTech Platform Corporation	3	Sales revenue	\$15,529	Payment within 30 days from the end of delivery month	0.07%
3	BeautyTech Platform Corporation	Gemvision Technology (Zhejiang) Limited	3	Sales revenue	\$15,301	Payment within 180 days from the end of delivery month	0.07%
4	BeautyTech Platform (Shanghai) Corporation	Gemvision Technology (Zhejiang) Limited	3	Service revenue	\$40,577	Payment within 30 days from the end of delivery month	0.18%

Note 1: Transaction information between Parent company and its subsidiaries should be disclosed by codes below:

(1) Parent company is coded "0".

(2) The subsidiaries are coded from "1" in the order presented in the table above.

Note 2: Relationship are divided into the following three types and the types are required to be indicated:

(1) From the parent company to a subsidiary.

(2) From a subsidiary to the parent company.

(3) Between subsidiaries.

Note 3: Regarding the percentage of transaction amount to consolidated operating revenues or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet items;

and based on interim accumulated amount to consolidated net revenue for income statement items.

Note 4: Transactions exceeding NT\$15,000 thousand have been disclosed. All the transactions have been eliminated when preparing the consolidated financial statements.