

Tai-Tech Advanced Electronics Co., Ltd. and  
Subsidiaries  
Consolidated Financial Statements and Report of  
Independent Accounts  
First Quarter in 2024 and 2023  
(Stock Code: 3357)

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Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries  
Consolidated Financial Statements and Report of Independent Accounts of Q1 2024 and  
2023

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## Report of Independent Accountants

(2024) Cai-Shen-Bao-Zi No. 24000077

To: Tai-Tech Advanced Electronics Co., Ltd.

### Introduction

We have audited the consolidated financial statements of Tai-Tech Advanced Electronics and Subsidiaries (hereinafter referred to as the “Group”), which comprise the consolidated balance sheets as of March 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years January 1 through March 31, 2024 and 2023 ended and the notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” approved and promulgated into effect by the Financial Supervisory Commission (FSC). Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

### Scope of Review

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

### Basis for qualified conclusion of the 2024 Q1 consolidated financial statements

As stated in Note 6(5) to the consolidated financial statements, the same-period financial statements of investees recognized in the said consolidated financial statements using the equity method have not been reviewed by other auditors (please see Other Matters paragraph). The investees accounted for using the equity method, when calculated based on the shareholding proportion as of March 31, 2024, amounted to NT\$17,704 thousand, accounting for 0% of the total consolidated assets of the Group; the income recognized for the three months ended March 31, 2023 amounted to a loss of NT\$459 thousand, respectively, accounting for 0%, respectively, of the consolidated income of Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries.

### Qualified and unqualified conclusion

According to our review results and other auditors’ review reports (see Other Matters paragraph), the consolidated financial statements might have been adjusted had the information in Note 13 to the consolidated financial statements and the information in the financial statements of investees accounted for using equity method - as stated in the Basis for Qualified Conclusion paragraph - been reviewed by other auditors. Except for that, we

did not find the said consolidated financial statements violating the Regulations Governing the Preparation of Financial Reports by Securities Issuers or the International Accounting Standard 34 “Interim Financial Reporting” endorsed and promulgated by the Financial Supervisory Commission to an extent that it is unable to fairly present the Group’s consolidated financial position as of March 31, 2024 and 2023 or consolidated financial performance and consolidated cash flows for the third quarter of 2023 and 2022 and for the three months ended 2024 and 2023.

### **Other matters - Adoption of the review reports by other CPAs**

The financial statements of investees accounted for using the equity method and recognized in Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries’ consolidated financial statements were not reviewed by us but by other auditors. Therefore, the monetary amount included in our review report on the said consolidated financial statements and related to such investees was by reference to other auditors’ review reports containing a qualified conclusion. As of March 31, 2024, such investees accounted for using the equity method amounted to NT\$1,524,208 thousand as of September 30, 2023, accounting for 13% of the consolidated assets of the Group; the comprehensive income recognized for such investees for the three months ended March 31, 2024 amounted to NT\$60,860 thousand, accounting for 19% and 14%, respectively, of the consolidated comprehensive income of the Group.

PricewaterhouseCoopers Taiwan

Wei-Hao Wu

Certified Public Accountant (CPA)

Ya-Hui Cheng

Financial Supervisory Commission

Approval No.: Jin-Guan-Zheng-Shen - Zi No. 1080323093  
Former Financial Supervisory Commission and Securities  
and Futures Bureau of the Executive Yuan

Approval No.: Jin-Guan-Zheng -Liu-Zi No. 0960072936

May 6, 2024

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

March 31, 2024 and December 31, March 31, 2023

Unit: NT\$ thousand

|                           | Assets  | Note             | March 31, 2024       |            | December 31, 2023    |            | March 31, 2023       |            |   |
|---------------------------|---|------------------|----------------------|------------|----------------------|------------|----------------------|------------|---|
|                           |   |                  | Amount               | %          | Amount               | %          | Amount               | %          |   |
| <b>Current assets</b>     |   |                  |                      |            |                      |            |                      |            |   |
| 1100                      | Cash and cash equivalents   | 6 (1)            | \$ 2,240,664         | 20         | \$ 2,152,634         | 20         | \$ 1,067,160         | 10         |   |
| 1136                      | Financial assets measured at amortized cost – current                           | 6 (1)            |                      | -          | 30,705               | -          | 50,000               | 1          |   |
| 1150                      | Notes receivable, net   | 6 (2)            | 51,234               | 1          | 49,844               | 1          | 62,232               | 1          |   |
| 1170                      | Accounts receivable, net  | 6 (2)            | 1,638,839            | 14         | 1,464,122            | 13         | 1,626,878            | 16         |   |
| 1180                      | Accounts receivable from related parties, net                                   | 6 (2) and 7      |                      | 113,330    | 1                    | 94,850     | 1                    | 101,274    | 1 |
| 1200                      | Other receivables   |                  | 17,249               | -          | 14,002               | -          | 15,820               | -          |   |
| 1220                      | Current income tax assets   | 6 (25)           | 7,234                | -          | 6,717                | -          | 423                  | -          |   |
| 130X                      | Inventory   | 6 (3)            | 810,140              | 7          | 768,123              | 7          | 957,396              | 9          |   |
| 1410                      | Pre-payments  |                  | 43,553               | -          | 42,632               | -          | 34,959               | -          |   |
| 1470                      | Other current assets  |                  | <u>605</u>           | <u>-</u>   | <u>267</u>           | <u>-</u>   | <u>150</u>           | <u>-</u>   |   |
| 11XX                      | <b>Total current assets</b>   |                  | <b>4,922,848</b>     | <b>43</b>  | <b>4,623,896</b>     | <b>42</b>  | <b>3,916,292</b>     | <b>38</b>  |   |
| <b>Non-current assets</b> |   |                  |                      |            |                      |            |                      |            |   |
| 1510                      | Financial assets at fair value through profit or loss - non-current             | 6 (11)           |                      | 550        | -                    | 880        | -                    | -          |   |
| 1517                      | Financial assets at fair value through other comprehensive income - non-current | 6 (4) and 12 (3) |                      | 663,617    | 6                    | 558,896    | 5                    | 455,552    | 5 |
| 1550                      | Investment accounted for using the equity method                                | 6 (5)            |                      | 1,531,027  | 13                   | 1,470,603  | 14                   | -          | - |
| 1600                      | Property, plant and equipment   | 6 (6) and 8      | 4,073,960            | 36         | 4,100,494            | 38         | 4,344,831            | 42         |   |
| 1755                      | Right-of-use assets   | 6 (7) and 7      | 37,210               | -          | 37,587               | -          | 33,735               | -          |   |
| 1780                      | Intangible assets   |                  | 50,556               | 1          | 49,980               | 1          | 43,516               | 1          |   |
| 1840                      | Deferred income tax assets  | 6 (25)           | 27,585               | -          | 26,638               | -          | 41,002               | -          |   |
| 1900                      | Other non-current assets  | 6 (8)            | <u>105,420</u>       | <u>1</u>   | <u>17,075</u>        | <u>-</u>   | <u>1,473,982</u>     | <u>14</u>  |   |
| 15XX                      | <b>Total non-current assets</b>   |                  | <b>6,489,925</b>     | <b>57</b>  | <b>6,262,153</b>     | <b>58</b>  | <b>6,392,618</b>     | <b>62</b>  |   |
| 1XXX                      | <b>Total assets</b>   |                  | <b>\$ 11,412,773</b> | <b>100</b> | <b>\$ 10,886,049</b> | <b>100</b> | <b>\$ 10,308,910</b> | <b>100</b> |   |

(continued on next page)

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

March 31, 2024 and December 31, March 31, 2023

Unit: NT\$ thousand

|  | Liabilities and equity   | Note         | March 31, 2024       |            | December 31, 2023    |            | March 31, 2023       |            |
|--|--|--------------|----------------------|------------|----------------------|------------|----------------------|------------|
|  |  |              | Amount               | %          | Amount               | %          | Amount               | %          |
| <b>Current liabilities</b>                               |  |              |                      |            |                      |            |                      |            |
| 2100   | Short-term borrowings  | 6 (9)        | \$ 50,000            | -          | \$ 100,000           | 1          | \$ 500,000           | 5          |
| 2150   | Notes payable  |              | 17,031               | -          | 17,460               | -          | 15,038               | -          |
| 2170   | Accounts payable   |              | 691,224              | 6          | 550,535              | 5          | 533,673              | 5          |
| 2180   | Accounts payable - related parties                               | 7            | 3,527                | -          | 3,111                | -          | 3,282                | -          |
| 2200   | Other payables   | 6 (10) and 7 | 975,490              | 9          | 553,461              | 5          | 1,157,227            | 11         |
| 2230   | Current income tax liabilities                                   | 6 (25)       | 68,847               | 1          | 49,655               | 1          | 122,936              | 1          |
| 2250   | Liability reserve - current                                      |              | 4,778                | -          | 4,278                | -          | 3,992                | -          |
| 2280   | Lease liabilities - current                                      | 7            | 3,402                | -          | 4,085                | -          | 4,725                | -          |
| 2320   | Current portion of long-term borrowings                          | 6 (12)       |                      |            |                      |            |                      |            |
|  |  |              | 37,733               | -          | 37,733               | -          | 37,733               | 1          |
| 21XX   | <b>Total current liabilities</b>                                 |              | <u>1,852,032</u>     | <u>16</u>  | <u>1,320,318</u>     | <u>12</u>  | <u>2,378,606</u>     | <u>23</u>  |
| <b>Non-current liabilities</b>                           |  |              |                      |            |                      |            |                      |            |
| 2530   | Corporate bonds payable  | 6 (11)       | 1,053,124            | 9          | 1,048,695            | 10         | -                    | -          |
| 2540   | Long-term borrowings   | 6 (12)       | 1,495,279            | 13         | 1,504,712            | 14         | 1,489,012            | 14         |
| 2570   | Deferred income tax liabilities                                  | 6 (25)       | 267,000              | 3          | 257,748              | 2          | 252,874              | 3          |
| 2580   | Lease liabilities - non-current                                  | 7            | 6,617                | -          | 7,182                | -          | 1,405                | -          |
| 2640   | Net defined benefit liabilities - non-current                    | 6 (13)       |                      |            |                      |            |                      |            |
|  |  |              | 1,170                | -          | 1,053                | -          | 836                  | -          |
| 2670   | Other non-current liabilities - others                           |              | <u>9,807</u>         | <u>-</u>   | <u>10,014</u>        | <u>-</u>   | <u>11,804</u>        | <u>-</u>   |
| 25XX   | <b>Total non-current liabilities</b>                             |              | <u>2,832,997</u>     | <u>25</u>  | <u>2,829,404</u>     | <u>26</u>  | <u>1,755,931</u>     | <u>17</u>  |
| 2XXX   | <b>Total liabilities</b>   |              | <u>4,685,029</u>     | <u>41</u>  | <u>4,149,722</u>     | <u>38</u>  | <u>4,134,537</u>     | <u>40</u>  |
| <b>Equity attributable to shareholders of the parent</b> |  |              |                      |            |                      |            |                      |            |
|  | Share capital  | 6 (14)       |                      |            |                      |            |                      |            |
| 3110   | Common shares  |              | 1,020,340            | 9          | 1,020,340            | 9          | 1,020,340            | 10         |
|  | Capital surplus  | 6 (15)       |                      |            |                      |            |                      |            |
| 3200   | Capital surplus  |              | 1,854,279            | 15         | 1,854,279            | 17         | 1,798,320            | 17         |
|  | Retained earnings  | 6 (16)       |                      |            |                      |            |                      |            |
| 3310   | Legal reserve  |              | 657,300              | 6          | 657,300              | 6          | 552,955              | 5          |
| 3320   | Special reserve  |              | 76,642               | 1          | 76,642               | 1          | 76,642               | 1          |
| 3350   | Unappropriated earnings  |              | 2,613,619            | 23         | 2,928,035            | 27         | 2,578,316            | 25         |
|  | Other equity   | 6 (17)       |                      |            |                      |            |                      |            |
| 3400   | Other equity   |              | <u>444,278</u>       | <u>4</u>   | <u>139,049</u>       | <u>1</u>   | <u>147,800</u>       | <u>2</u>   |
| 31XX   | <b>Equity attributable to shareholders of the parent - Total</b> |              | <u>6,666,458</u>     | <u>58</u>  | <u>6,675,645</u>     | <u>61</u>  | <u>6,174,373</u>     | <u>60</u>  |
| 36XX   | <b>Non-controlling interests</b>                                 |              | <u>61,286</u>        | <u>1</u>   | <u>60,682</u>        | <u>1</u>   | <u>-</u>             | <u>-</u>   |
| 3XXX   | <b>Total equity</b>  |              | <u>6,727,744</u>     | <u>59</u>  | <u>6,736,327</u>     | <u>62</u>  | <u>6,174,373</u>     | <u>60</u>  |
|  | Significant Commitments or Contingencies                         | 9            |                      |            |                      |            |                      |            |
| 3X2X   | <b>Total liabilities and equity</b>                              |              | <u>\$ 11,412,773</u> | <u>100</u> | <u>\$ 10,886,049</u> | <u>100</u> | <u>\$ 10,308,910</u> | <u>100</u> |

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

Consolidated Statement of Comprehensive Income

January 1 to March 31, 2024 and 2023

Unit: NT\$ thousand

(Except Earnings Per Share in New Taiwan Dollars)

|      | Item  | Note                    | January 1 to March 31, 2024 |       | January 1 to March 31, 2023 |       |
|------|---|-------------------------|-----------------------------|-------|-----------------------------|-------|
|      |   |                         | Amount                      | %     | Amount                      | %     |
| 4000 | Operating revenue   | 6 (18) and 7            | \$ 1,171,733                | 100   | \$ 1,175,868                | 100   |
| 5000 | Operating costs   | 6 (3)(23)<br>(24) and 7 | ( 907,323)                  | ( 77) | ( 815,314)                  | ( 69) |
| 5900 | Gross profit  |                         | 264,410                     | 23    | 360,554                     | 31    |
|      | Operating expenses  | 6 (23)<br>(24) and 7    |                             |       |                             |       |
| 6100 | Selling and marketing expenses  |                         | ( 79,533)                   | ( 7)  | ( 71,904)                   | ( 6)  |
| 6200 | General and administrative expenses   |                         | ( 50,071)                   | ( 4)  | ( 51,001)                   | ( 5)  |
| 6300 | Research and development expenses   |                         | ( 43,124)                   | ( 4)  | ( 34,304)                   | ( 3)  |
| 6450 | Expected credit impairment gain   | 12 (2)                  | -                           | -     | -                           | -     |
| 6000 | Total operating expenses  |                         | ( 172,728)                  | ( 15) | ( 157,209)                  | ( 14) |
| 6900 | Operating gains   |                         | 91,682                      | 8     | 203,345                     | 17    |
|      | NON-OPERATING INCOME AND EXPENSES   |                         |                             |       |                             |       |
| 7100 | Interest income   | 6 (19)                  | 10,072                      | 1     | 7,601                       | -     |
| 7010 | Other income  | 6 (20)                  | 9,937                       | 1     | 21,568                      | 2     |
| 7020 | Other gains and losses  | 6 (21)                  | 43,538                      | 4     | ( 15,480)                   | ( 1)  |
| 7050 | Financial costs   | 6 (9) and (12)<br>(22)  | ( 9,671)                    | ( 1)  | ( 4,160)                    | -     |
| 7060 | Share of profit (loss) of associates and joint ventures accounted for using equity method | 6 (5)                   | 20,002                      | 1     | -                           | -     |
| 7000 | Total non-operating incomes and expenses  |                         | 73,878                      | 6     | 9,529                       | 1     |
| 7900 | <b>Income before income tax</b>   |                         | 165,560                     | 14    | 212,874                     | 18    |
| 7950 | Income tax expenses   | 6 (25)                  | ( 20,881)                   | ( 2)  | ( 35,286)                   | ( 3)  |
| 8200 | <b>Net profit (loss) for current period</b>   |                         | \$ 144,679                  | 12    | \$ 177,588                  | 15    |

(continued on next page)

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries  
Consolidated Statement of Comprehensive Income  
January 1 to March 31, 2024 and 2023

Unit: NT\$ thousand

(Except Earnings Per Share in New Taiwan Dollars)

| Item  | Note   | January 1 to March 31, 2024 |   | January 1 to March 31, 2023 |               |  |
|---|--|-----------------------------|---|-----------------------------|---------------|--|
|   |  | Amount                      | % | Amount                      | %             |  |
| <b>Other comprehensive income/(loss) for the year, net of income tax</b>                        |  |                             |   |                             |               |  |
| <b>Components of other comprehensive income that will not be reclassified to profit or loss</b> |  |                             |   |                             |               |  |
| 8316  | Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income   | 6 (4)                       |   | \$ 102,676                  | 9 \$ 68,420   |  |
| 8320  | Share of profit (loss) of associates and joint ventures accounted for using equity method - Components of other comprehensive income that will not be reclassified to profit or loss |                             |   | 16,235                      | 1             |  |
| 8310  | Total components of other comprehensive income that will not be reclassified to profit or loss   |                             |   | 118,911                     | 10            |  |
|   | <b>Items that may be reclassified subsequently to profit or loss</b>   | 6 (17)                      |   |                             |               |  |
| 8361  | Exchange differences on translating the financial statements of foreign operations   |                             |   | 162,794                     | 14            |  |
| 8370  | Share of profit (loss) of associates and joint ventures accounted for using equity method - Components of other comprehensive income that might be reclassified to profit or loss    |                             |   | 24,186                      | 2             |  |
| 8360  | Total of items that may be reclassified subsequently to profit or loss   |                             |   | 186,980                     | 16            |  |
| 8300  | <b>Other comprehensive income/(loss) for the year, net of income tax</b>   |                             |   | \$ 305,891                  | 26 \$ 84,052  |  |
| 8500  | <b>Total comprehensive income</b>  |                             |   | \$ 450,570                  | 38 \$ 261,640 |  |

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

Consolidated Statement of Comprehensive Income

January 1 to March 31, 2024 and 2023

Unit: NT\$ thousand

(Except Earnings Per Share in New Taiwan Dollars)

**(loss) for the current period**

Net income attributable to:

|      |                            |            |    |            |    |
|------|----------------------------|------------|----|------------|----|
| 8610 | shareholders of the parent | \$ 144,737 | 12 | \$ 177,588 | 15 |
| 8620 | Non-controlling interests  | (\$ 58)    | -  | \$ -       | -  |

Total comprehensive income (loss) attributable to:

|      |                            |            |    |            |    |
|------|----------------------------|------------|----|------------|----|
| 8710 | shareholders of the parent | \$ 449,966 | 38 | \$ 261,640 | 22 |
| 8720 | Non-controlling interests  | \$ 604     | -  | \$ -       | -  |

Earnings per share (EPS) 6 (26)

|      |   |         |         |
|------|---|---------|---------|
| 9750 | Basic earnings per share attributable to shareholders of the parent company   | \$ 1.42 | \$ 1.74 |
| 9850 | Diluted earnings per share attributable to shareholders of the parent company | \$ 1.33 | \$ 1.73 |

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries  
Consolidated Statement of Changes in Equity  
January 1 to March 31, 2024 and 2023

Unit: NT\$ thousand

| Note   | Equity attributable to shareholders of the parent |                 |               |                 |                         |  |   |              |           |      | Non-controlling interests | Total equity |  |  |
|--|---|-----------------|---------------|-----------------|-------------------------|--|---|--------------|-----------|------|---------------------------|--------------|--|--|
|  | Retained earnings                                 |                 |               |                 | Other equity            |  |   |              |           |      |                           |              |  |  |
|  | Common shares                                     | Capital surplus | Legal reserve | Special reserve | Unappropriated earnings | Exchange differences on translating the financial statements of foreign operations | Unrealized gain/(loss) on financial assets at fair value through other comprehensive income | Total        |           |      |                           |              |  |  |
| <u>January 1 to March 31, 2023</u>                       |   |                 |               |                 |                         |  |   |              |           |      |                           |              |  |  |
| Balance as of January 1, 2023                            | \$ 1,020,340                                      | \$ 1,798,320    | \$ 552,955    | \$ 76,642       | \$ 3,012,932            | (\$ 134,642 )  | \$ 198,390  | \$ 6,524,937 | \$ -      | \$ - | \$ 6,524,937              |              |  |  |
| Net profit (loss) for current period                     | -   | -               | -             | -               | 177,588                 | -  | -   | 177,588      | -         | -    | 177,588                   |              |  |  |
| Other comprehensive income for the 6 (17) year           | -   | -               | -             | -               | -                       | 15,632   | 68,420  | 84,052       | -         | -    | 84,052                    |              |  |  |
| Total comprehensive income (loss) for the current period | -   | -               | -             | -               | 177,588                 | 15,632   | 68,420  | 261,640      | -         | -    | 261,640                   |              |  |  |
| Appropriation and distribution of 6 (16) earnings:       |   |                 |               |                 |                         |  |   |              |           |      |                           |              |  |  |
| Cash dividends   | -   | -               | -             | -               | ( 612,204 )             | -  | -   | ( 612,204 )  | -         | -    | ( 612,204 )               |              |  |  |
| Balance as of March 31, 2023                             | \$ 1,020,340                                      | \$ 1,798,320    | \$ 552,955    | \$ 76,642       | \$ 2,578,316            | (\$ 119,010 )  | \$ 266,810  | \$ 6,174,373 | \$ -      | \$ - | \$ 6,174,373              |              |  |  |
| <u>January 1 to March 31, 2024</u>                       |   |                 |               |                 |                         |  |   |              |           |      |                           |              |  |  |
| Balance on January 1, 2024                               | \$ 1,020,340                                      | \$ 1,854,279    | \$ 657,300    | \$ 76,642       | \$ 2,928,035            | (\$ 217,641 )  | \$ 356,690  | \$ 6,675,645 | \$ 60,682 | \$ - | \$ 6,736,327              |              |  |  |
| Net profit (loss) for current period                     | -   | -               | -             | -               | 144,737                 | -  | -   | 144,737      | ( 58 )    | -    | 144,679                   |              |  |  |
| Other comprehensive income for the 6 (17) year           | -   | -               | -             | -               | -                       | 186,318  | 118,911   | 305,229      | 662       | -    | 305,891                   |              |  |  |
| Total comprehensive income (loss) for the current period | -   | -               | -             | -               | 144,737                 | 186,318  | 118,911   | 449,966      | 604       | -    | 450,570                   |              |  |  |
| Appropriation and distribution of 6 (16) earnings:       |   |                 |               |                 |                         |  |   |              |           |      |                           |              |  |  |
| Cash dividends   | -   | -               | -             | -               | ( 459,153 )             | -  | -   | ( 459,153 )  | -         | -    | ( 459,153 )               |              |  |  |
| Balance on March 31, 2024                                | \$ 1,020,340                                      | \$ 1,854,279    | \$ 657,300    | \$ 76,642       | \$ 2,613,619            | (\$ 31,323 )   | \$ 475,601  | \$ 6,666,458 | \$ 61,286 | \$ - | \$ 6,727,744              |              |  |  |

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

Consolidated Cash Flow Statement

January 1 to March 31, 2024 and 2023

Unit: NT\$ thousand

|   | Note | January 1 to March<br>31, 2024 | January 1 to March<br>31, 2023 |
|---|------|--------------------------------|--------------------------------|
| <b>Cash flow from operating activities</b>                              |      |                                |                                |
| Income before income tax  |      | \$ 165,560                     | \$ 212,874                     |
| Adjustments   |      |                                |                                |
| Adjustments for income and expenses                                     |      |                                |                                |
| Depreciation expenses (including right-of-use assets) 6 (23)            |      | 134,278                        | 127,765                        |
| Amortization 6 (23)   |      | 1,875                          | 1,442                          |
| Gains (losses) on disposal of property, plant and equipment 6 (21)      |      | ( 6 )                          | ( 544 )                        |
| Valuation loss of financial assets at fair value through profit or loss |      | 330                            | -                              |
| Interest income 6 (19)  |      | ( 10,072 )                     | ( 7,601 )                      |
| Interest expenses 6 (22)  |      | 9,671                          | 4,160                          |
| Share of profit of associates accounted for using equity method 6 (5)   |      | ( 20,002 )                     | -                              |
| Changes in operating assets and liabilities                             |      |                                |                                |
| Changes in operating assets   |      |                                |                                |
| Notes receivable  |      | ( 1,390 )                      | ( 1,847 )                      |
| Accounts Receivable   |      | ( 174,742 )                    | ( 1,846 )                      |
| Accounts receivable due from related parties                            |      | ( 18,480 )                     | 11,271                         |
| Other receivables   |      | ( 3,247 )                      | ( 2,393 )                      |
| Inventory   |      | ( 42,017 )                     | ( 13,201 )                     |
| Pre-payments  |      | ( 921 )                        | ( 2,195 )                      |
| Other current assets  |      | ( 338 )                        | 319                            |
| Changes in operating liabilities, net                                   |      |                                |                                |
| Notes payable   |      | ( 179 )                        | 2,409                          |
| Accounts payable  |      | 140,689                        | 249                            |
| Accounts payables to related parties                                    |      | 416                            | ( 2,045 )                      |
| Other payables  |      | ( 24,118 )                     | ( 77,479 )                     |
| Liability reserve - current   |      | 500                            | 3,992                          |
| Net defined benefit liabilities   |      | 117                            | 58                             |
| Other non-current liabilities   |      | ( 207 )                        | ( 482 )                        |
| Cash generated from operating activities                                |      | 157,717                        | 254,906                        |
| Interest paid   |      | ( 5,242 )                      | ( 4,160 )                      |
| Income taxes paid   |      | ( 2,084 )                      | ( 7,668 )                      |
| Net cash inflow from operating activities                               |      | <u>150,391</u>                 | <u>243,078</u>                 |

(continued on next page)

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

Consolidated Cash Flow Statement

January 1 to March 31, 2024 and 2023

Unit: NT\$ thousand

|   | Note   | January 1 to March<br>31, 2024 | January 1 to March<br>31, 2023 |
|---|--------|--------------------------------|--------------------------------|
| <b>Cash Flow from Investment Activities</b>   |        |                                |                                |
| Interests received  |        | \$ 10,072                      | \$ 7,601                       |
| Acquisition of financial assets at fair value<br>through other comprehensive income |        | - ( 6,085 )                    | 6,085                          |
| Increase in financial assets measured at amortized<br>cost                          |        | - ( 50,000 )                   | 50,000                         |
| Decrease in financial assets at amortized cost                                      |        | 30,705                         | -                              |
| Acquisition of property, plant and equipment  | 6 (27) | ( 129,306 )                    | ( 116,843 )                    |
| Proceeds from disposal of property, plant and<br>equipment                          |        | 1,428                          | 544                            |
| Acquisition of intangible assets  |        | ( 2,234 )                      | ( 1,574 )                      |
| Increase in refundable deposits   |        | ( 462 )                        | -                              |
| Increase in other non-current assets  |        | - ( 1,450,000 )                | 1,450,000                      |
| Decrease in other non-current assets  |        | -                              | 7,942                          |
| Net cash flows used in investing<br>activities                                      |        | ( 89,797 )                     | ( 1,608,415 )                  |
| <b>Cash Flow from Financing Activities</b>  |        |                                |                                |
| Increase in short-term borrowings   |        | 70,000                         | 570,000                        |
| Decrease in short-term borrowings   |        | ( 120,000 )                    | ( 70,000 )                     |
| Increase in long-term borrowings  |        | -                              | 410,000                        |
| Repayment for long-term borrowings  |        | ( 9,433 )                      | ( 9,434 )                      |
| Repayment of the principal portion of lease<br>liabilities                          | 6 (28) | ( 1,249 )                      | ( 1,741 )                      |
| Net cash inflow from financing<br>activities  |        | ( 60,682 )                     | 898,825                        |
| Exchange rate adjustments   |        | 88,118                         | 4,795                          |
| Increase (decrease) in cash and cash equivalents                                    |        | 88,030                         | ( 461,717 )                    |
| Cash and cash equivalents - beginning balance                                       |        | 2,152,634                      | 1,528,877                      |
| Cash and cash equivalents - ending balance  |        | \$ 2,240,664                   | \$ 1,067,160                   |

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

Notes to the consolidated financial statements

First Quarter in 2024 and 2023

(Only reviewed, not audited according to the auditing standards)

Unit: NT\$ thousand

(unless otherwise specified)

I. Company history and business scope

Tai-Tech Advanced Electronics (hereinafter referred to as the “Company”) was incorporated on November 2, 1992. The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) mainly engages in manufacturing and processing of electronic parts, magnet cores, multilayer wire-wound and other wire-wound products and acts as an agent for domestic and foreign companies in terms of quotation, bidding, distribution and import and export of the said products. The Company’s shares were listed on Taipei Exchange for trading on April 27, 2021.

II. Approval Date and Procedure of the Financial Statements

The Consolidated Financial Statements have been approved by the Board of Directors for release on May 6, 2024.

III. Application of New Standards, Amendments and Interpretations

(I) The impact of the adoption of the new and revised International Financial Reporting Standards (IFRS) recognized and promulgated by the Financial Supervisory Commission (FSC)

The following table sets forth the standards and interpretations for the new issues, amendments, and revisions of International Financial Reporting Standards (IFRS) approved and promulgated into effect by the FSC for application in 2024:

| New/amended/revised standards and interpretations                             | Effective date announced by IASB |
|---|----------------------------------|
| Amendments to IFRS 16 “Lease liabilities of after-sale and leaseback”         | January 1, 2024                  |
| Amendments to IAS 1 “Classification of liabilities as current or non-current” | January 1, 2024                  |
| Amendments to IAS 1 “Non-current liabilities with covenants”                  | January 1, 2024                  |
| Amendments to IAS 7 and IFRS 7 “Supplier finance arrangements”                | January 1, 2024                  |

The Group has assessed the aforementioned standards and interpretations and concluded that they do not have significant effects on the Group’s financial position and financial performance.

(II) Effects of Not Adopting the Newly Issued or Amended IFRSs Endorsed by the FSC

None.

(III) Effects of the IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations, and amendments to the IFRSs issued by IASB but not yet endorsed by the FSC are as follows:

| New/amended/revised standards and interpretations           | Effective date announced by IASB |
|---|----------------------------------|
| Amendments to IFRS 10 and IAS 28 - “Sale or Contribution of | Yet to be decided by IASB        |

|  |                 |
|--|-----------------|
| Assets between an Investor and its Associate or Joint Venture”                           |                 |
| IFRS 17 “Insurance Contracts”  | January 1, 2023 |
| Amendments to IFRS 17 “Insurance Contracts”  | January 1, 2023 |
| Amendment to IFRS 17 Initial application of IFRS 17 and IFRS 9 — Comparative information | January 1, 2023 |
| IFRS No. 18 “Presentation and Disclosures in Financial Statements”                       | January 1, 2027 |
| Amendments to IAS 21 “Lack of Exchangeability”   | January 1, 2025 |

Except for the following, the Group has assessed the aforementioned standards and interpretations and concluded that they do not have significant effects on the Group’s financial position and financial performance.

IFRS No. 18 “Presentation and Disclosures in Financial Statements”

IFRS No. 18 “Financial Statement Presentation and Disclosure” replaces IAS No. 1 and updates the structure of the comprehensive income statement, adds the disclosure of management performance measurement, and strengthens the application in the summary of the main financial statements and notes and segmentation.

#### IV. Summary of Significant Accounting Policies

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

##### (I) Statement of Compliance

1. These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as approved and promulgated into effect by the FSC.
2. The consolidated financial statements should be read in conjunction with the 2023 consolidated financial statements.

##### (II) Basis of Preparation

1. Except for the following significant accounts, the consolidated financial statements have been prepared under the historical cost convention:
  - (1) Financial assets measured at fair value through profit or loss (including derivatives).
  - (2) Financial assets at fair value through other comprehensive income
  - (3) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
2. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred to hereinafter as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

##### (III) Basis of Consolidation

1. Principles for preparing the consolidated financial statements  
The preparation principles of the consolidated financial statements are the same as those in the 2023 consolidated financial statements.
2. Subsidiaries included in the consolidated financial statements:

| Name of Investor                                 | Subsidiary   | Business nature  | Shareholding percentage |                   |                | Remarks |
|--|--|--|-------------------------|-------------------|----------------|---------|
|  |  |  | March 31, 2024          | December 31, 2023 | March 31, 2023 |         |
| The Company                                      | NORTH STAR INTERNATIONALLIMITED                    | Invested business  | 100%                    | 100%              | 100%           |         |
| The Company                                      | BEST BLISS INVESTMENTSLIMITED                      | Invested business  | 100%                    | 100%              | 100%           |         |
| The Company                                      | TECHWORLD ELECTRONICSSINGAPORE PTE.LTD.            | Reinvestment and trading-related business                | 60%                     | 60%               | -              | Note 1  |
| BEST BLISS INVESTMENTS LIMITED                   | TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd. | Production, processing and sale of electronic components | 100%                    | 100%              | 100%           |         |
| BEST BLISS INVESTMENTS LIMITED                   | FIXED ROCK HOLDING LTD.                            | Invested business  | 100%                    | 100%              | 100%           |         |
| BEST BLISS INVESTMENTS LIMITED                   | TAIPAQ Electronic Components (Si-Hong) Co., Ltd.   | Production, processing and sale of electronic components | 26.60%                  | 26.60%            | 26.60%         |         |
| FIXED ROCK HOLDING LTD.                          | TAIPAQ Electronic Components (Si-Hong) Co., Ltd.   | Production, processing and sale of electronic components | 73.40%                  | 73.40%            | 73.40%         |         |
| TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.        | TECHWORLD ELECTRONICS (M) SDN. BHD.                | Production, processing and sale of electronic components | 100%                    | 100%              | -              | Note 2  |
| TAIPAQ Electronic Components (Si-Hong) Co., Ltd. | TAI-TECH Advanced Electronics (Shenzhen) Co., Ltd. | Sale of electronic components                            | 100%                    | 100%              | 100%           |         |

Note 1: Incorporated in June 2023.

Note 2: Incorporated in July 2023.

3. Subsidiaries not included in the consolidated financial statements  
None.

4. Adjustments for subsidiaries with different accounting periods:  
None.

5. Major restrictions:  
None.

6. Subsidiaries with significant non-controlling interest for the Group:  
None.

**(IV) Employee benefits**

**Pension - defined benefit plan**

The pension cost of interim period is calculated based on the pension cost actuarially determined according to the end date of the previous fiscal year for the period from the beginning of the year to the end of the period. In case where there is any material market fluctuation or material reduction, repayment or other material one-time events after the end date, adjustments are made and relevant information is disclosed according to the aforementioned policy.

**(V) Income tax**

The tax expense of interim period is calculated based on the estimated annual average effective tax rate applied to the income before tax up to the interim period and relevant information is disclosed according to the aforementioned policy.

**V. Significant Accounting Judgments, Estimates and Major Sources of Uncertainty for Assumptions**

There is no significant change in the current period. Please refer to Note 5 of the 2023 consolidated financial statements.

VI. Description of significant accounting items  
 (I) Cash and cash equivalents

|  | March 31, 2024      | December 31, 2023   | March 31, 2023      |
|--|---------------------|---------------------|---------------------|
| Cash on hand and revolving funds           | \$ 1,403            | \$ 2,325            | \$ 1,543            |
| Checking deposits and demand deposits      | 1,168,442           | 1,566,640           | 663,677             |
| Time deposits                              | 770,819             | 523,669             | 401,940             |
| Commercial paper with repurchase agreement | 300,000             | 60,000              | -                   |
| Total                                      | <u>\$ 2,240,664</u> | <u>\$ 2,152,634</u> | <u>\$ 1,067,160</u> |

1. Since the Group corresponds with multiple financial institutions with good credit quality to diversify credit risks, the risk of default is expected to be low.
2. The Group did not pledge any cash and cash equivalents as collaterals.
3. The amounts of the Group's original time deposits with maturity of more than three months on March 31, 2024, December 31, 2023, and March 31, 2023 presented under "financial assets measured at amortized cost – current" were NT\$0, NT\$30,705 and NT\$50,000.

(II) Notes and Accounts Receivable

|  | March 31, 2024      | December 31, 2023   | March 31, 2023      |
|--|---------------------|---------------------|---------------------|
| Notes receivable                             | \$ 51,234           | \$ 49,844           | \$ 62,232           |
| Accounts Receivable                          | \$ 1,640,286        | \$ 1,465,544        | \$ 1,629,239        |
| Less: Allowance for bad debt                 | (1,447)             | (1,422)             | (2,361)             |
|  | <u>\$ 1,638,839</u> | <u>\$ 1,464,122</u> | <u>\$ 1,626,878</u> |
| Accounts receivable due from related parties | \$ 113,419          | \$ 94,939           | \$ 101,363          |
| Less: Allowance for bad debt                 | (89)                | (89)                | (89)                |
|  | <u>\$ 113,330</u>   | <u>\$ 94,850</u>    | <u>\$ 101,274</u>   |

1. The aging analysis of accounts receivable and notes receivable is as follows:

|                | March 31, 2024      |                  | December 31, 2023   |                  | March 31, 2023      |                  |
|----------------|---------------------|------------------|---------------------|------------------|---------------------|------------------|
|                | Accounts Receivable | Notes receivable | Accounts Receivable | Notes receivable | Accounts Receivable | Notes receivable |
| Not yet due    | \$ 1,749,240        | \$ 51,234        | \$ 1,534,345        | \$ 49,844        | \$ 1,693,918        | \$ 62,232        |
| Within 30 days | 3,459               | -                | 24,900              | -                | 36,684              | -                |
| 31~90 days     | 1,006               | -                | 1,230               | -                | -                   | -                |
| 91~180 days    | -                   | -                | 8                   | -                | -                   | -                |
|                | <u>\$ 1,753,705</u> | <u>\$ 51,234</u> | <u>\$ 1,560,483</u> | <u>\$ 49,844</u> | <u>\$ 1,730,602</u> | <u>\$ 62,232</u> |

The above aging analysis is based on the number of days past due.

2. The balance of accounts receivable and notes receivable on March 31, 2024, December 31, 2023, and March 31, 2023 were all generated from contracts with customers. The balance of receivables as of January 1, 2023 amounted to NT\$1,801,892.
3. Without considering the collateral or other credit enhancements held, the amounts most representative of the credit risk inherent in the Group's notes receivable as of March 31, 2024, December 31, 2023, and March 31, 2023 were NT\$51,234, NT\$49,844, and NT\$62,232, respectively; and the amounts most representative of

the credit risk inherent in the Group's accounts receivable as of March 31, 2024, December 31, 2023, and March 31, 2023 were NT\$1,752,169, NT\$1,558,972, and NT\$\$1,728,152, respectively.

4. Credit risks associated with accounts receivable and notes receivable are stated in Note 12(2).

(III) Inventory

|                   | March 31, 2024    |                                      |                   |
|-------------------|-------------------|--------------------------------------|-------------------|
|                   | Cost              | Allowance for<br>inventory valuation | Carrying amount   |
| Raw materials     | \$ 168,670        | (\$ 13,750)                          | \$ 154,920        |
| Supplies          | 25,309            | ( 3,193)                             | 22,116            |
| Work in process   | 345,017           | ( 19,055)                            | 325,962           |
| Finished products | 311,129           | ( 26,405)                            | 284,724           |
| Goods             | 25,117            | ( 2,699)                             | 22,418            |
| Total             | <u>\$ 875,242</u> | <u>(\$ 65,102)</u>                   | <u>\$ 810,140</u> |

|                   | December 31, 2023 |                                      |                   |
|-------------------|-------------------|--------------------------------------|-------------------|
|                   | Cost              | Allowance for<br>inventory valuation | Carrying amount   |
| Raw materials     | \$ 135,708        | (\$ 13,036)                          | \$ 122,672        |
| Supplies          | 23,504            | ( 3,093)                             | 20,411            |
| Work in process   | 340,197           | ( 22,637)                            | 317,560           |
| Finished products | 310,994           | ( 27,793)                            | 283,201           |
| Goods             | 26,870            | ( 2,591)                             | 24,279            |
| Total             | <u>\$ 837,273</u> | <u>(\$ 69,150)</u>                   | <u>\$ 768,123</u> |

|                   | March 31, 2023      |                                      |                   |
|-------------------|---------------------|--------------------------------------|-------------------|
|                   | Cost                | Allowance for<br>inventory valuation | Carrying amount   |
| Raw materials     | \$ 148,041          | (\$ 14,654)                          | \$ 133,387        |
| Supplies          | 27,116              | ( 3,235)                             | 23,881            |
| Work in process   | 404,420             | ( 15,855)                            | 388,565           |
| Finished products | 416,313             | ( 26,658)                            | 389,655           |
| Goods             | 24,202              | ( 2,294)                             | 21,908            |
| Total             | <u>\$ 1,020,092</u> | <u>(\$ 62,696)</u>                   | <u>\$ 957,396</u> |

1. The inventory costs recognized as expenses by the Group in this period:

|   | January 1 to March 31, 2024 | January 1 to March 31, 2023 |
|---|-----------------------------|-----------------------------|
| Cost of inventory sold                            | \$ 861,638                  | \$ 798,228                  |
| Inventory (recovery benefit)<br>depreciation loss | ( 5,933)                    | 3,557                       |

|        |                   |                   |
|--------|-------------------|-------------------|
| Others | 51,618            | 13,529            |
|        | <u>\$ 907,323</u> | <u>\$ 815,314</u> |

From January 1 to March 31, 2024, as the Group continued to eliminate inventories, the net realizable value of inventories increased.

2. The Group did not pledge any inventory as collaterals.

**(IV) Financial assets at fair value through other comprehensive income**

|   | March 31, 2024    | December 31, 2023 | March 31, 2023    |
|---|-------------------|-------------------|-------------------|
| Equity instruments  |                   |                   |                   |
| Shares listed on the stock exchange or the OTC market                                 | \$ 36,094         | \$ 36,094         | \$ 53,424         |
| Shares not traded on the stock exchange, the OTC market, or the emerging stock market | <u>171,878</u>    | <u>169,833</u>    | <u>135,318</u>    |
|   | 207,972           | 205,927           | 188,742           |
| Adjustments for change in value   | <u>455,645</u>    | <u>352,969</u>    | <u>266,810</u>    |
| Total   | <u>\$ 663,617</u> | <u>\$ 558,896</u> | <u>\$ 455,552</u> |

1. The Group elected to classify the stocks that are strategic investments as financial assets measured at fair value through other comprehensive gain or loss. The fair values of such investments as of March 31, 2024, December 31, 2023, and March 31, 2023 were NT\$663,617, NT\$558,896 and NT\$455,552, respectively.
2. Financial assets at fair value through other comprehensive income recognized in profit and loss/comprehensive income are as follows:

|   | January 1 to March 31, 2024 | January 1 to March 31, 2023 |
|---|-----------------------------|-----------------------------|
| <u>Equity instruments measured at fair value through other comprehensive income</u> |                             |                             |
| Changes in fair value recognized in other comprehensive income                      | <u>\$ 102,676</u>           | <u>\$ 68,420</u>            |
| Dividend income recognized in profit or loss held at end of year                    | <u>\$ -</u>                 | <u>\$ -</u>                 |

3. Without considering the collateral or other credit enhancements held, the amounts most representative of the credit risk inherent in the Group's financial assets at fair value through other comprehensive income as of March 31, 2024, December 31, 2023, and March 31, 2023 were NT\$663,617, NT\$558,896 and NT\$455,552, respectively.
4. The Group did not pledge any financial assets at fair value through other comprehensive income as collaterals.

**(V) Investment under equity method (no such transaction as of March 31, 2023)**

|                           | March 31, 2024      | December 31, 2023   |
|---------------------------|---------------------|---------------------|
| Associate:                |                     |                     |
| APAQ Technology Co., Ltd. | \$ 1,524,208        | \$ 1,463,347        |
| JD Technology Co., Ltd.   | <u>6,819</u>        | <u>7,256</u>        |
|                           | <u>\$ 1,531,027</u> | <u>\$ 1,470,603</u> |

- Below is the information about the Group's significant associates:

| Company Name              | Main business premises | Shareholding ratio | Nature of relationship |                   | Measuring method |
|---------------------------|------------------------|--------------------|------------------------|-------------------|------------------|
|                           |                        |                    | December 31, 2023      | March 31, 2024    |                  |
| APAQ Technology Co., Ltd. | Taiwan                 | 28.1%              | 28.1%                  | Business strategy | Equity method    |

The Company publicly acquired common shares of APAQ Technology Co., Ltd. for 25,000 thousand shares at NT\$58 per share from March 17, 2023 to April 6, 2023. In addition, the acquisition amount was paid and equity transfer was completed on April 13, 2023. Accordingly, the Company has acquired 28.1% of equity of APAQ Technology Co., Ltd.

- The summarized financial information of the major associates of the Company is as follows:

#### Balance sheet

|   | APAQ Technology Co., Ltd. and Subsidiaries |                   |
|---|--|-------------------|
|   | March 31, 2024                             | December 31, 2023 |
| Current assets  | \$ 3,630,736                               | \$ 3,168,097      |
| Non-current assets  | 1,966,008                                  | 1,754,258         |
| Current liabilities   | ( 1,961,836)                               | ( 1,687,223)      |
| Non-current liabilities   | ( 334,516)                                 | ( 320,757)        |
| Non-controlling interests   | ( 138,792)                                 | -                 |
| Fair value adjustment of other intangible and tangible net assets | 483,991                                    | -                 |
| Adjusted total net assets   | \$ 3,645,591                               | \$ 2,914,375      |
| Share of net total assets of associates                           | \$ 1,024,411                               | \$ 818,939        |
| Goodwill  | 510,566                                    | 644,408           |
| Others  | ( 10,769)                                  | -                 |
| Carrying amount of associate                                      | \$ 1,524,208                               | \$ 1,463,347      |

#### Statement of comprehensive income

|  | APAQ Technology Co., Ltd. and Subsidiaries |
|--|--|
|  | January 1 to March 31, 2024                |
| Revenue  | \$ 721,366                                 |
| Profit from continuing operations                        | \$ 137,991                                 |
| Other comprehensive income (net amount after tax)        | 107,161                                    |
| Total comprehensive income (loss) for the current period | \$ 245,152                                 |
| Dividends received from associates                       | \$ -                                       |

- A major associate of the Group, APAQ Technology Co., Ltd., has quotations in the open market. The fair value on March 31, 2024 and December 31, 2023 was

NT\$1,950,000 and NT\$1,737,500, respectively.

4. From January 1, 2023 to March 31, 2023, the investment gains of APAQ Technology Co., Ltd. under the equity method amounted to NT\$20,439, which were based on the financial statements reviewed by other CPAs during the period.
5. The Group holds 28.1% and 26.67% of the total number of voting shares of APAQ Technology Co., Ltd. and JDX Technology Co., Ltd., respectively, making the Group the single largest shareholder. Since the quantities and dispersion of voting shares held by others were not widely dispersed and the governance body of the Group varies from that of the above companies, the Group is unable to direct the relevant activities of the above companies, hence no control over it. The Group believes that it has only significant influence over the above companies and therefore recognizes them as its associates.

(VI) Property, plant and equipment

2024

|   | Land              | Buildings and structures | Machinery           | Utilities equipment | Transportation equipment | Office equipment | Other equipment   | Unfinished construction and equipment pending acceptance | Total               |
|---|-------------------|--------------------------|---------------------|---------------------|--------------------------|------------------|-------------------|--|---------------------|
| January 1                               |                   |                          |                     |                     |                          |                  |                   |  |                     |
| Cost                                    | \$ 777,560        | \$ 590,845               | \$ 5,644,458        | \$ 25,018           | \$ 11,611                | \$ 58,766        | \$ 342,246        | \$ 25,212  | \$ 7,475,716        |
| Accumulated depreciation and impairment | -                 | (280,130)                | (2,815,129)         | (18,182)            | (9,476)                  | (40,125)         | (212,180)         | -  | (3,375,222)         |
|   | <u>\$ 777,560</u> | <u>\$ 310,715</u>        | <u>\$ 2,829,329</u> | <u>\$ 6,836</u>     | <u>\$ 2,135</u>          | <u>\$ 18,641</u> | <u>\$ 130,066</u> | <u>\$ 25,212</u>   | <u>\$ 4,100,494</u> |
| January 1                               | \$ 777,560        | \$ 310,715               | \$ 2,829,329        | \$ 6,836            | \$ 2,135                 | \$ 18,641        | \$ 130,066        | \$ 25,212  | \$ 4,100,494        |
| Addition                                | -                 | -                        | 2,576               | -                   | -                        | 1,461            | 6,560             | 17,570   | 28,167              |
| Disposal                                | -                 | -                        | -                   | -                   | (34)                     | -                | -                 | -  | (34)                |
| Reclassification                        | -                 | -                        | 10,149              | -                   | -                        | 230              | 4,044             | (14,423)   | -                   |
| Depreciation expenses                   | -                 | (8,203)                  | (107,370)           | (259)               | (248)                    | (1,742)          | (15,012)          | -  | (132,834)           |
| Net exchange differences                | -                 | 8,591                    | 67,444              | -                   | 14                       | 288              | 1,725             | 105  | 78,167              |
| March 31                                | <u>\$ 777,560</u> | <u>\$ 311,103</u>        | <u>\$ 2,802,128</u> | <u>\$ 6,577</u>     | <u>\$ 1,867</u>          | <u>\$ 18,878</u> | <u>\$ 127,383</u> | <u>\$ 28,464</u>   | <u>\$ 4,073,960</u> |
| March 31                                |                   |                          |                     |                     |                          |                  |                   |  |                     |
| Cost                                    | \$ 777,560        | \$ 606,665               | \$ 5,774,454        | \$ 25,046           | \$ 11,280                | \$ 60,217        | \$ 358,350        | \$ 28,464  | \$ 7,642,036        |
| Accumulated depreciation and impairment | -                 | (295,562)                | (2,972,326)         | (18,469)            | (9,413)                  | (41,339)         | (230,967)         | -  | (3,568,076)         |
|   | <u>\$ 777,560</u> | <u>\$ 311,103</u>        | <u>\$ 2,802,128</u> | <u>\$ 6,577</u>     | <u>\$ 1,867</u>          | <u>\$ 18,878</u> | <u>\$ 127,383</u> | <u>\$ 28,464</u>   | <u>\$ 4,073,960</u> |

| 2023                                    |                   |                          |                     |                     |                          |                  |                   |  |                     |  |  |  |
|---|-------------------|--------------------------|---------------------|---------------------|--------------------------|------------------|-------------------|--|---------------------|--|--|--|
|   | Land              | Buildings and structures | Machinery           | Utilities equipment | Transportation equipment | Office equipment | Other equipment   | Unfinished construction and equipment pending acceptance | Total               |  |  |  |
| January 1                               |                   |                          |                     |                     |                          |                  |                   |  |                     |  |  |  |
| Cost                                    | \$ 777,560        | \$ 572,031               | \$ 5,629,094        | \$ 25,030           | \$ 11,668                | \$ 52,523        | \$ 352,990        | \$ 44,775  | \$ 7,465,671        |  |  |  |
| Accumulated depreciation and impairment | -                 | (256,815)                | (2,523,061)         | (17,159)            | (8,623)                  | (35,823)         | (222,581)         | -  | (3,064,062)         |  |  |  |
|   | <u>\$ 777,560</u> | <u>\$ 315,216</u>        | <u>\$ 3,106,033</u> | <u>\$ 7,871</u>     | <u>\$ 3,045</u>          | <u>\$ 16,700</u> | <u>\$ 130,409</u> | <u>\$ 44,775</u>   | <u>\$ 4,401,609</u> |  |  |  |
| January 1                               | \$ 777,560        | \$ 315,216               | \$ 3,106,033        | \$ 7,871            | \$ 3,045                 | \$ 16,700        | \$ 130,409        | \$ 44,775  | \$ 4,401,609        |  |  |  |
| Addition                                | -                 | -                        | 12,641              | -                   | -                        | 242              | 5,796             | 38,762   | 57,441              |  |  |  |
| Disposal                                | -                 | -                        | -                   | -                   | -                        | -                | -                 | -  | -                   |  |  |  |
| Reclassification                        | -                 | -                        | 26,977              | -                   | -                        | 718              | 1,215             | (28,910)   | -                   |  |  |  |
| Depreciation expenses                   | -                 | (6,447)                  | (104,842)           | (259)               | (223)                    | (1,239)          | (12,961)          | -  | (125,971)           |  |  |  |
| Net exchange differences                | -                 | 1,188                    | 10,012              | -                   | 3                        | 36               | 335               | 178  | 11,752              |  |  |  |
| March 31                                | <u>\$ 777,560</u> | <u>\$ 309,957</u>        | <u>\$ 3,050,821</u> | <u>\$ 7,612</u>     | <u>\$ 2,825</u>          | <u>\$ 16,457</u> | <u>\$ 124,794</u> | <u>\$ 54,805</u>   | <u>\$ 4,344,831</u> |  |  |  |
| March 31                                |                   |                          |                     |                     |                          |                  |                   |  |                     |  |  |  |
| Cost                                    | \$ 777,560        | \$ 573,992               | \$ 5,881,754        | \$ 25,033           | \$ 11,685                | \$ 53,545        | \$ 361,033        | \$ 54,805  | \$ 7,739,407        |  |  |  |
| Accumulated depreciation and impairment | -                 | (264,035)                | (2,830,933)         | (17,421)            | (8,860)                  | (37,088)         | (236,239)         | -  | (3,394,576)         |  |  |  |
|   | <u>\$ 777,560</u> | <u>\$ 309,957</u>        | <u>\$ 3,050,821</u> | <u>\$ 7,612</u>     | <u>\$ 2,825</u>          | <u>\$ 16,457</u> | <u>\$ 124,794</u> | <u>\$ 54,805</u>   | <u>\$ 4,344,831</u> |  |  |  |

1. The capitalized amounts of interest for the three months ended March 31, 2024 and 2023 were both NT\$0.
2. The Group's significant components of buildings and structures, including buildings and engineering systems, are depreciated over 20~50 years and 8~20 years, respectively.
3. For information on pledged property, plant, and equipment, refer to Note 8.

(VII) Lease transactions - lessee

1. The underlying assets of the Group's lease include land use right, buildings, company cars and multi-function peripherals. The lease duration usually lasts 3 to 50 years. Lease contracts are agreed upon individually and contain different terms and conditions. Except for land use right, leased assets shall not be used as collaterals and are not restricted in any way.
2. The lease term of the buildings and warehouses leased by the Group is less than 12 months. The low-value underlying asset of the Group's lease is the electronic host and printer for business use.
3. The information on the carrying amount of the right-of-use asset and the recognized depreciation expense is as follows:

|                          | March 31, 2024   | December 31, 2023 | March 31, 2023   |
|--------------------------|------------------|-------------------|------------------|
|                          | Carrying amount  | Carrying amount   | Carrying amount  |
| Right-of-use land        | \$ 27,361        | \$ 26,471         | \$ 27,587        |
| Buildings                | 8,444            | 9,193             | 2,666            |
| Transportation equipment | 880              | 1,309             | 2,600            |
| Machinery and equipment  | 525              | 614               | 882              |
|                          | <u>\$ 37,210</u> | <u>\$ 37,587</u>  | <u>\$ 33,735</u> |

|                          | January 1 to March 31, 2024 | January 1 to March 31, 2023 |
|--------------------------|-----------------------------|-----------------------------|
|                          | Depreciation expenses       | Depreciation expenses       |
| Right-of-use land        | \$ 177                      | \$ 177                      |
| Buildings                | 748                         | 1,097                       |
| Transportation equipment | 430                         | 431                         |
| Machinery and equipment  | 89                          | 89                          |
|                          | <u>\$ 1,444</u>             | <u>\$ 1,794</u>             |

4. Profit or loss items in relation to lease contracts are as follows:

|   | January 1 to March 31, 2024 | January 1 to March 31, 2023 |
|---|-----------------------------|-----------------------------|
| <u>Items that affect profit or loss</u>             |                             |                             |
| Expenses attributable to short-term lease contracts | \$ 5,104                    | \$ 3,763                    |
| Expenses attributable to low-value assets           | 22                          | 18                          |

5. For the three months ended March 31, 2024 and 2023, the increase in the Group's right-of-use assets were both NT\$0.
6. For the three months ended March 31, 2024 and 2023, the Group's total lease cash outflows were NT\$6,375 and NT\$5,522, respectively.

(VIII) Other non-current assets

|   | March 31, 2024    | December 31, 2023 | March 31, 2023      |
|---|-------------------|-------------------|---------------------|
| Share capital account                           | \$ -              | \$ -              | \$ 1,450,000        |
| Refundable deposits                             | 3,088             | 2,626             | 2,632               |
| Prepayments for construction and equipment      | 102,332           | 14,449            | 21,350              |
| Uncollectible overdue receivables               | 1,252             | 1,252             | 1,252               |
| Allowance for uncollectible-overdue receivables | (1,252)           | (1,252)           | (1,252)             |
|   | <u>\$ 105,420</u> | <u>\$ 17,075</u>  | <u>\$ 1,473,982</u> |

The share capital account as of March 31, 2023 refers to the predefined acquisition share capital consideration account for the public acquisition of APAQ Technology Co., Ltd.

(IX) Short-term borrowings

| Nature of borrowings | March 31, 2024    | Interest rate range | Collaterals |
|----------------------|-------------------|---------------------|-------------|
| Bank loan            |                   |                     |             |
| Credit loan          | <u>\$ 50,000</u>  | 1.69%~1.82%         | -           |
| Nature of borrowings | December 31, 2023 | Interest rate range | Collaterals |
| Bank loan            |                   |                     |             |
| Credit loan          | <u>\$ 100,000</u> | 1.67%               | -           |
| Nature of borrowings | March 31, 2023    | Interest rate range | Collaterals |
| Bank loan            |                   |                     |             |
| Credit loan          | <u>\$ 500,000</u> | 1.55%~1.63%         | -           |

For the three months ended March 31, 2024 and 2023, the interest expenses recognized in profit or loss of short-term borrowings were NT\$218 and NT\$482, respectively.

(X) Other payables

|  | March 31, 2024    | December 31, 2023 | March 31, 2023      |
|--|-------------------|-------------------|---------------------|
| Dividends payable  | \$ 459,153        | \$ -              | \$ 612,204          |
| Salary and bonus payables  | 108,808           | 148,177           | 106,238             |
| Social benefits liabilities payable  | 91,772            | 85,624            | 113,597             |
| Employee compensation and directors' and supervisors' remuneration payable | 64,447            | 51,686            | 111,765             |
| Construction and equipment payable   | 48,205            | 61,211            | 29,066              |
| Others   | <u>203,105</u>    | <u>206,763</u>    | <u>184,357</u>      |
|  | <u>\$ 975,490</u> | <u>\$ 553,461</u> | <u>\$ 1,157,227</u> |

(XI) Corporate bonds payable (no such transaction as of March 31, 2023)

|  | <u>March 31, 2024</u>          | <u>December 31, 2023</u>       |
|--|--------------------------------|--------------------------------|
| Corporate bonds payable  | \$ 1,100,000                   | \$ 1,100,000                   |
| Less: Discount of corporate bond payable   | ( 46,876)                      | ( 51,305)                      |
|  | 1,053,124                      | 1,048,695                      |
| Less: Corporate bonds maturing within one year<br>or one operating cycle or repurchase rights<br>exercised | <hr/> <hr/> <hr/> \$ 1,053,124 | <hr/> <hr/> <hr/> \$ 1,048,695 |

1. Domestic convertible bonds issued by the Company

The conditions for the Company's issuance of the 1st domestic unsecured convertible corporate bonds are as follows

- (1) The Company was approved by the competent authority to issue the first domestic unsecured convertible corporate bonds. The total amount to be issued is \$1,100,000, the coupon rate of 0%, the issuance period of 3 years, and the circulation period from October 31, 2023 to October 31, 2026. The convertible bonds are repaid in cash in one lump sum at the bond face value upon maturity. The convertible bonds were listed for trading on the Taipei Exchange on October 31, 2023.
- (2) The period from the day following the expiration of three months after the date of issuance to the maturity date of the convertible corporate bond holders, except (1) the period of suspension of the common stock transfer according to law; (2) The period from the 15 business days before the book closure date for cash dividends or the book closure date to the base date of distribution of rights; (3) The base date of capital reduction for capital reduction is scheduled to expire on the day before the trading day before the capital reduction; (4) For a change in the denomination of shares, the Company may inform Taiwan Depository & Clearing Corporation through to request the Company's stock agent to convert the bonds into shares of the Company's common stock in accordance with the Regulations, the rights and obligations of the common shares after conversion are the same as the common shares issued originally.
- (3) The conversion price of these convertible corporate bonds is set according to the pricing model stipulated in the conversion regulations. The subsequent conversion price will be adjusted in accordance with the pricing model stipulated in the conversion plan in the event of an increase in the number of shares of common stock issued (or private placement) of securities with conversion or subscription rights to common shares at a capital reduction lower than the prevailing conversion or subscription price per share, and capital reduction not due to cancellation of treasury shares. The pricing model shall be adjusted in accordance with the conversion regulations.

As of March 31, 2024, the bonds had not yet been converted into common shares. The Company adjusted the conversion price at NT\$113.5 on April 6, 2024 in accordance with the conversion procedures.

- (4) Within three months the day after the issue of the corporate bonds to 40 days of the maturity of the issue period, when the closing price of the Company's common shares has exceeded the coversion price at the time of conversion price

at the conversion for 30 consecutive business days by more than 30%, the Company may, within 30 business days, send a copy of the “Notice of Recovery of Bonds” after the expiration of 30 days to the bondholders by registered mail, and also request the Taipei Exchange to make a public announcement and within 5 business days after the date of the recovery, all the bonds shall be recovered in cash based on the face value of the bonds.

(5) In accordance with the conversion regulations, all the convertible corporate bonds recovered (including repurchased from the Taipei Exchange), repaid or converted by the Company shall be cancelled and may not be re-sold or re-issued and the conversion rights attached shall also be extinguished.

2. When issuing the convertible bonds, the Group separated the equity conversion option and each component of liability in accordance with IAS No. 32 “Financial Instruments: Presentation,” and accounted for \$55,190 as “Capital surplus - stock options.” In addition, the embedded repurchase options were not closely related to the economic characteristics and risks of the debt instrument of the host contract in accordance with IFRS 9 “Financial Instruments,” so they were separated and accounted for in the net amount of “Financial assets measured at fair value through profit or loss.” After the separation, the effective interest rate of the main contract debt was 1.7%.

(XII) Long-term borrowings

| Nature of borrowings                          | Loan period and means of repayment  | Interest rate range | Collaterals                     | March 31, 2024 |
|---|---|---------------------|---------------------------------|----------------|
| Secured loan                                  | Principal and interest are paid from August 2021 to August 2036.  | 1.75%               | Land, buildings, and structures | \$ 468,522     |
| Credit loan                                   | The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.    | 1.28%               | -                               | 226,490        |
| Secured loan                                  | The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.    | 1.23%~1.28%         | Machinery                       | 368,000        |
| Credit loan                                   | The period from March 2023 to March 2026 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2026 to February 2030. | 1.28%               | -                               | 220,000        |
| Credit loan                                   | The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2027.    | 1.23%               | -                               | 250,000        |
|   |   |                     |                                 | 1,533,012      |
| Less: Current portion of long-term borrowings |   |                     |                                 | ( 37,733)      |
|   |   |                     |                                 | \$ 1,495,279   |

| Nature of borrowings | Loan period and means of repayment   | Interest rate range | Collaterals                     | December 31, 2023 |
|----------------------|--|---------------------|---------------------------------|-------------------|
| Secured loan         | Principal and interest are paid from August 2021 to August 2036.   | 1.63%               | Land, buildings, and structures | \$ 477,955        |
| Credit loan          | The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029. | 1.15%               | -                               | 226,490           |

|   |   |             |           |                            |
|---|---|-------------|-----------|----------------------------|
| Secured loan                                  | The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.    | 1.11%~1.15% | Machinery | 368,000                    |
| Credit loan                                   | The period from March 2023 to March 2026 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2026 to February 2030. | 1.15%       | -         | 220,000                    |
| Credit loan                                   | The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2027.    | 1.11%       | -         | <u>250,000</u>             |
|   |   |             |           | 1,542,445                  |
| Less: Current portion of long-term borrowings |   |             |           | ( <u>37,733</u> )          |
|   |   |             |           | <u><u>\$ 1,504,712</u></u> |

| Nature of borrowings                          | Loan period and means of repayment  | Interest rate range | Collaterals                     | March 31, 2023             |
|---|---|---------------------|---------------------------------|----------------------------|
| Secured loan                                  | Principal and interest are paid from August 2021 to August 2036.  | 1.63%               | Land, buildings, and structures | \$ 506,255                 |
| Credit loan                                   | The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.    | 1.15%               | -                               | 226,490                    |
| Secured loan                                  | The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.    | 1.11%~1.15%         | Machinery                       | 368,000                    |
| Credit loan                                   | The period from March 2023 to March 2026 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2026 to February 2030. | 1.15%               | -                               | 220,000                    |
| Credit loan                                   | The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2027.    | 1.11%               | -                               | <u>206,000</u>             |
|   |   |                     |                                 | 1,526,745                  |
| Less: Current portion of long-term borrowings |   |                     |                                 | ( <u>37,733</u> )          |
|   |   |                     |                                 | <u><u>\$ 1,489,012</u></u> |

For the three months ended March 31, 2024 and 2023, the interest expense recognized in profit or loss of long-term borrowings were NT\$4,948 and NT\$3,678, respectively.

### (XIII) Pension

1. (1) By adhering to the requirements set forth in the Labor Standards Act, the Company has established its own defined retirement benefits plan, which is applicable both to the service years of all regular employees rendered before the enforcement of the Labor Pension Act on July 1, 2005, and to the service years of all employees who elected to continue applying the Labor Standards Act after the implementation of the Labor Pension Act. Pensions for employees qualified for retirement are calculated based on their servicing years and their average salaries of the 6 months prior to their retirement. Two bases are given for each full year of service rendered within 15 years. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total

number of bases shall be no more than 45. The Company contributes monthly an amount equal to 3% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, under the name of the Independent Retirement Fund Committee. In addition, the Company estimates the balance of the said designated pension account before the end of year. If the balance is not sufficient to cover the amount to be paid to all employees - calculated in the manner specified above - who will qualify the retirement conditions next year, a lump-sum deposit should be made before March-end of the following year to cover the difference.

- (2) The Company has established the "Manager's Retirement and Resignation Method" to determine the payment applicable to the company's appointed managers. The retirement benefit formula is as follows:
  - A. Pensions for the service year applying the Labor Standards Act are calculated using the equation stated in the previous section.
  - B. The Company contributes an amount of pension equal to 6% of an employee's monthly salary for those electing to apply the Labor Pension Act and those taking their post on or after July 1, 2005.
  - C. For appointed managers who have rendered 25 or more years of services as of December 31, 2018, two bases are given to each full year of services rendered within 15 years, one base is given to each full year of service over 15 years (rounded up to one year for any year of service less than one year), and their annual salary at their 25th year of service is taken as their average salary. The Company makes a pension contribution equal to 6% of their monthly salary starting from their 25th year of service.
- (3) The Company is obligated to pay retirement pensions to the directors and chairman of the board who were employees, which is calculated at 6% of the monthly salary according to the "Directors' Salary and Remuneration Measures."
- (4) For the three months ended March 31, 2024 and 2023, the pension costs recognized by the Group in accordance with the above regulations were NT\$117 and NT\$58.
- (5) The Company is expected to contribute \$0 to the pension plan in 2024.

2. (1) On July 1, 2005, the Company established its own pension regulations applicable to Taiwanese nationals in accordance with the Labor Pension Act. For employees of the Company or domestic subsidiaries who elected to apply the "Labor Pension Act," the Company makes a contribution equal to 6% of the monthly salary to their individual retirement account with the Bureau of Labor Insurance. Employee pensions may be paid in monthly installments or in lump-sum payment based the accumulated amount in the employee's individual retirement account.
- (2) TAI-TECH Advanced Electronics (Kunshan) and TAIPAQ Electronic Components (Si-Hong) Co., Ltd. contribute a certain percentage of a local employee's monthly salary, as required by the People's Republic of China, to the endowment insurance system. For the three months ended March 31, 2024 and 2023, the contribution percentages were 16% and 16%, respectively. The pension for employees is managed independently by the government. Except for making monthly contribution, the Group has no further obligation.

(3) For the three months ended March 31, 2024 and 2023, the pension cost recognized by the Group in accordance with the above Procedures was NT\$16,450 and NT\$17,681, respectively.

(XIV) Share capital

1. As of March 31, 2024, the Company had an authorized capital equal to NT\$3,000,000 (with NT\$20,000 retained for issuance of employee stock option certificates), a paid-in capital equal to NT\$1,020,340, and a share face value equal to NT\$10. All proceeds for share subscription were collected in full.

(XV) Capital surplus

1. Under the Company Act, capital surplus arising from shares issued at premium or from donation may be used for offsetting deficit. Furthermore, if the Company has no accumulated loss, capital surplus may be used for issuing new shares or distributing cash in proportion to shareholders' original shareholding percentage. According to the Securities and Exchange Act, when the above-mentioned capital surplus is used for capitalization, the total amount every year shall not exceed 10% of the paid-in capital. The Company may use capital surplus to offset loss only when the amount of reserves is insufficient to offset the loss.

2. The capital reserve is detailed as follows:

|                              | 2024          |  |                                     |                       |               | Total        |
|------------------------------|---------------|--|-------------------------------------|-----------------------|---------------|--------------|
|                              | Issue premium | Changes in ownership interests in subsidiaries | Changes in net equity of associates | Consolidation premium | Stock options |              |
| January 1 (same as March 31) | \$ 1,783,921  | \$ 12,353                                      | \$ 769                              | \$ 2,046              | \$ 55,190     | \$ 1,854,279 |

|                              | 2023          |  |                       |           |              | Total        |
|------------------------------|---------------|--|-----------------------|-----------|--------------|--------------|
|                              | Issue premium | Changes in ownership interests in subsidiaries | Consolidation premium |           |              |              |
| January 1 (same as March 31) | \$ 1,783,921  | \$ 12,353                                      | \$ 2,046              | \$ 55,190 | \$ 1,854,279 | \$ 1,798,320 |

(XVI) Retained earnings

1. According to the Company's Articles of Incorporation, if the Company has any earnings in the final account, they should be used to pay off all the taxes and duties, as well as to compensate prior deficits. The remaining amount, if any, should be appropriated in the following order of presentation: (1) 10% as legal reserve until it reaches the Company's paid-in capital; (2) set aside or reverse a certain amount as or of special reserve according to operating needs or laws or regulations; (3) the remainder plus unappropriated earnings from prior years may be used to appropriate dividends or bonuses to shareholders after an earnings appropriation proposal is drafted by the Board of Directors and resolved in favor by the shareholders meeting. As required by Article 240 of the Company Act, if approved by a majority vote at a Board of Directors' meeting attended by two thirds of directors, the Board of

Directors may appropriate dividends or bonuses in cash with its existing legal reserve or capital surplus, and shall report to the shareholder's meeting. In such case, the requirements regarding resolution made by shareholders' meeting set out in the Company's Articles of Incorporation do not apply.

2. The Company's dividend appropriation policy takes into account the factors such as the industry environment it is in, its growing phases, future capital demands, financial structure, capital budge, shareholders' interest, balanced dividends, and long-term financial planning. An earnings appropriation proposal is drafted by the Board of Directors (and reported to the shareholders' meeting) to the extent appropriable on the conditions that the Company's business is in the expanding phase, profitability expects to grow, and appropriation of stock dividends won't significantly dilute the Company's profitability. No less than 30% of annual earnings are appropriated to shareholders. Shareholder's bonuses may be appropriated in cash or in shares, provided, however, that the appropriation in cash shall not be less than 10% of the total appropriated amount.
3. Except being used to make up previous deficits or appropriate shares or cash to shareholders in proportion to their shareholding percentage, the legal reserve shall not be used. However, the amount of legal reserves used to appropriate new shares or cash shall be limited to the portion exceeding 25% of the paid-in capital.
4. (1) According to law, the Company may appropriate earnings only after it has provided special reserve under the debit balance of other equity on the balance sheet date. If subsequently the debit balance of other equity is reversed, the reversed amount may be used as appropriable earnings.
- (2) As for the special reserves provided upon initial application of IFRSs to satisfy the requirements specified in the official letter Jin-Guan-Zheng-Fa-Zi No. 1090150022 dated March 31, 2021, the Company may reverse them to the extent of their original provision ratio if subsequently the Company intends to use, dispose of or reclassify related assets. If the said related assets are investment property relating to land, such assets are reversed upon disposal or reclassification; if the said related assets are investment property other than land, such assets are reversed gradually over the use period.
5. On February 24, 2023, the Board of Directors passed a resolution to distribute an ordinary dividends of \$612,204 (\$6.0 per share) according to the 2022 surplus.
6. On February 26, 2024, the Board of Directors passed a resolution to distribute an ordinary dividends of \$459,153 (\$4.5 per share) according to the 2023 surplus.

(XVII) Other equity items

|   | 2024                         |                                 |            |
|---|------------------------------|---------------------------------|------------|
|   | Unrealized gains<br>(losses) | Foreign currency<br>translation | Total      |
| January 1   | \$ 356,690                   | (\$ 217,641)                    | \$ 139,049 |
| Valuation of financial assets at fair value through other comprehensive income: |                              |                                 |            |
| – The Group   | 102,676                      | -                               | 102,676    |
| – Associate   | 16,235                       | -                               | 16,235     |
| Exchange differences:   |                              |                                 |            |

|             |                   |                      |                   |
|-------------|-------------------|----------------------|-------------------|
| - The Group | -                 | 162,132              | 162,132           |
| - Associate | -                 | 24,186               | 24,186            |
| March 31    | <u>\$ 475,601</u> | ( <u>\$ 31,323</u> ) | <u>\$ 444,278</u> |

|   | 2023                         |                                 |                   |
|---|------------------------------|---------------------------------|-------------------|
|   | Unrealized gains<br>(losses) | Foreign currency<br>translation | Total             |
| January 1   | \$ 198,390                   | (\$ 134,642)                    | \$ 63,748         |
| Valuation of financial assets at fair value through other comprehensive income: |                              |                                 |                   |
| - The Group   | 68,420                       | -                               | 68,420            |
| Exchange differences:   |                              |                                 |                   |
| - The Group   | -                            | 15,632                          | 15,632            |
| March 31  | <u>\$ 266,810</u>            | <u>(\$ 119,010)</u>             | <u>\$ 147,800</u> |

### (XVIII) Operating revenue

|                                     | January 1 to March 31, 2024 | January 1 to March 31, 2023 |
|-------------------------------------|-----------------------------|-----------------------------|
| Revenue from contracts with clients | <u>\$ 1,171,733</u>         | <u>\$ 1,175,868</u>         |

The Group's revenue derived from transfer of goods at a particular point of time are classified into the following categories:

|                     | January 1 to March 31, 2024 | January 1 to March 31, 2023 |
|---------------------|-----------------------------|-----------------------------|
| Wire-wound          | \$ 832,800                  | \$ 793,432                  |
| Multilayer products | 249,095                     | 189,901                     |
| LAN transformers    | 80,153                      | 181,015                     |
| Others              | 9,685                       | 11,520                      |
| Total               | <u>\$ 1,171,733</u>         | <u>\$ 1,175,868</u>         |

### (XIX) Interest income

|  | January 1 to March 31, 2024 | January 1 to March 31, 2023 |
|--|-----------------------------|-----------------------------|
| Interest on bank deposits  | \$ 9,830                    | \$ 7,567                    |
| Interest income from financial assets measured at amortized cost | 235                         | 28                          |
| Other interest income  | 7                           | 6                           |
|  | <u>\$ 10,072</u>            | <u>\$ 7,601</u>             |

### (XX) Other income

|  | January 1 to March 31, 2024 | January 1 to March 31, 2023 |
|--|-----------------------------|-----------------------------|
|  |                             |                             |

|                      |                 |                  |
|----------------------|-----------------|------------------|
| Rental income        | \$ 2,716        | \$ 2,632         |
| Subsidies income     | 5,398           | 18,432           |
| Miscellaneous income | <u>1,823</u>    | <u>504</u>       |
|                      | <u>\$ 9,937</u> | <u>\$ 21,568</u> |

The Group recognized government grants primarily because its qualified for the grants awarded to entice investment in the industries within Si-Hong Economic Development Zone.

(XXI) Other gains and losses

|   | January 1 to March 31, 2024 | January 1 to March 31, 2023 |
|---|-----------------------------|-----------------------------|
| Gains on disposal of property, plant and equipment              | \$ 6                        | \$ 544                      |
| Exchange gains (losses), net                                    | 43,866 (                    | 16,024)                     |
| Losses on financial assets at fair value through profit or loss | ( 330)                      | -                           |
| Miscellaneous expenses  | <u>( 4)</u>                 | <u>-</u>                    |
|   | <u>\$ 43,538</u>            | <u>(\$ 15,480)</u>          |

(XXII) Financial costs

|   | January 1 to March 31, 2024 | January 1 to March 31, 2023 |
|---|-----------------------------|-----------------------------|
| Interest expenses                           | \$ 5,166                    | \$ 4,160                    |
| Interest expense of corporate bonds payable | 4,429                       | -                           |
| Other interest expenses                     | <u>76</u>                   | <u>-</u>                    |
|   | <u>\$ 9,671</u>             | <u>\$ 4,160</u>             |

(XXIII) Additional Information on the Nature of Expenses

|  | January 1 to March 31, 2024     |                                    |            |
|--|---------------------------------|------------------------------------|------------|
|  | Attributable to operating costs | Attributable to operating expenses | Total      |
| Employee benefits expense                              | \$ 197,387                      | \$ 85,480                          | \$ 282,867 |
| Depreciation expenses of property, plant and equipment | 120,093                         | 12,741                             | 132,834    |
| Depreciation of right-of-use assets                    | 268                             | 1,176                              | 1,444      |
| Amortization expenses                                  | 1,056                           | 819                                | 1,875      |

|                                    | January 1 to March 31, 2023     |                                    |            |
|------------------------------------|---------------------------------|------------------------------------|------------|
|                                    | Attributable to operating costs | Attributable to operating expenses | Total      |
| Employee benefits expense          | \$ 199,823                      | \$ 84,166                          | \$ 283,989 |
| Depreciation expenses of property, | 116,269                         | 9,702                              | 125,971    |

|                                     |     |       |       |
|-------------------------------------|-----|-------|-------|
| plant and equipment                 |     |       |       |
| Depreciation of right-of-use assets | 752 | 1,042 | 1,794 |
| Amortization expenses               | 847 | 595   | 1,442 |

(XXIV) Employee benefit expense

|                                    | January 1 to March 31, 2024        |                                       |                   |
|------------------------------------|------------------------------------|---------------------------------------|-------------------|
|                                    | Attributable to<br>operating costs | Attributable to<br>operating expenses | Total             |
| Salary and wages                   | \$ 166,378                         | \$ 72,807                             | \$ 239,185        |
| Labor and health insurance expense | 5,554                              | 4,308                                 | 9,862             |
| Pension expense                    | 12,450                             | 4,117                                 | 16,567            |
| Other personnel expense            | 13,005                             | 4,248                                 | 17,253            |
|                                    | <u>\$ 197,387</u>                  | <u>\$ 85,480</u>                      | <u>\$ 282,867</u> |

|                                    | January 1 to March 31, 2023        |                                       |                   |
|------------------------------------|------------------------------------|---------------------------------------|-------------------|
|                                    | Attributable to<br>operating costs | Attributable to<br>operating expenses | Total             |
| Salary and wages                   | \$ 167,119                         | \$ 71,969                             | \$ 239,088        |
| Labor and health insurance expense | 6,523                              | 4,414                                 | 10,937            |
| Pension expense                    | 14,035                             | 3,704                                 | 17,739            |
| Other personnel expense            | 12,146                             | 4,079                                 | 16,225            |
|                                    | <u>\$ 199,823</u>                  | <u>\$ 84,166</u>                      | <u>\$ 283,989</u> |

1. Where there are earnings in the final account, no less than 6% shall be allocated as employee compensation, either in cash or in shares, as resolved by the Board of Directors - employees qualified for such compensation include employees from affiliated companies who meet certain criteria; and no higher than 2% shall be allocated as remuneration for directors and supervisors.
2. The Company's estimated employee remuneration for the years ended March 31, 2024 and 2023 was NT\$10,209 and NT\$13,268, respectively; the estimated amount of remuneration to directors/supervisors was NT\$2,552 and NT\$3,317, respectively, and the aforementioned amounts were presented under salary expenses.

For the three months ended March 31, 2024 and 2023, the remuneration to employees and remuneration to directors and supervisors from was based on the profit status as of the current period, estimated at 6% and 1.5%, respectively.

The amount of the accrued employee compensation and directors' and supervisors' remuneration for 2023 as had been resolved by the Board of Directors was the same as the amount recognized in the financial statements for 2023.

The amounts of employee compensation and directors' and supervisors' remuneration approved by the Board of Directors and resolved by the shareholders' meeting can be found on the MOPS of TWSE.

(XXV) Income tax

1. Income tax expenses
  - (1) Income tax components:

|  | January 1 to March 31,<br>2024 | January 1 to March 31,<br>2023 |
|--|--------------------------------|--------------------------------|
| Current tax:   |                                |                                |
| Tax attributable to taxable income of the period                     | \$ 19,250                      | \$ 35,286                      |
| Underestimation of income tax in previous years                      | <u>1,631</u>                   | -                              |
| Total current tax  | <u>20,881</u>                  | <u>35,286</u>                  |
| Deferred income tax:   |                                |                                |
| Deferred income tax on temporary differences originated and reversed | -                              | -                              |
| Income tax expenses  | <u>20,881</u>                  | <u>35,286</u>                  |

- (2) Income tax associates with other comprehensive income: None.
- (3) Income tax directly debited or credited in equity: None.
2. The Company's profit-seeking business income tax has been approved by the tax authorities up to 2021.

(XXVI) Earnings per share (EPS)

|  | January 1 to March 31, 2024 |   |                                |
|--|-----------------------------|---|--------------------------------|
|  | Post-tax amount             | Weighted average number of outstanding shares (thousand shares) | Earnings per share (EPS) (NTD) |
| <b>Basic earnings per share</b>  |                             |   |                                |
| Profit attributable to shareholders of common shares of the parent   | \$ 144,737                  | 102,034   | \$ 1.42                        |
| <b>Diluted earnings per share</b>  |                             |   |                                |
| Profit attributable to shareholders of common shares of the parent   | \$ 144,737                  | 102,034   |                                |
| Effects of the potentially dilutive common shares on employee compensation                                 | -                           | 326   |                                |
| Convertible corporate bonds  | <u>4,429</u>                | <u>9,692</u>  |                                |
| Profit attributable to shareholders of common shares of the parent plus effects of potential common shares | <u>149,166</u>              | <u>112,052</u>  | <u>1.33</u>                    |

|   | January 1 to March 31, 2023 |   |                                |
|---|-----------------------------|---|--------------------------------|
|   | Post-tax amount             | Weighted average number of outstanding shares (thousand shares) | Earnings per share (EPS) (NTD) |
| <b>Basic earnings per share</b>               |                             |   |                                |
| Profit attributable to shareholders of common | \$ 177,588                  | 102,034   | \$ 1.74                        |

shares of the parent  
Diluted earnings per share

|  |            |                 |
|--|------------|-----------------|
| Profit attributable to shareholders of common shares of the parent   | \$ 177,588 | 102,034         |
| Effects of the potentially dilutive common shares on employee compensation                                 | —          | 553             |
| Profit attributable to shareholders of common shares of the parent plus effects of potential common shares | \$ 177,588 | 102,587 \$ 1.73 |

#### (XXVII) Additional Information on Cash Flows

##### 1. Investing activities partially involving cash payments:

|  | January 1 to March 31,<br>2024 | January 1 to March 31,<br>2023 |
|--|--------------------------------|--------------------------------|
| Acquisition of property, plant and equipment                           | \$ 28,167                      | \$ 57,441                      |
| Add: Construction and equipment payable at the beginning of the period | 61,211                         | 57,797                         |
| Notes payable at the beginning of the period                           | 5,564                          | 37,028                         |
| Prepayments for construction and equipment - ending                    | 102,332                        | -                              |
| Less: Construction and equipment payable at the end of the period      | ( 48,205 )                     | ( 29,066 )                     |
| Notes payable at the end of the period                                 | ( 5,314 )                      | ( 6,357 )                      |
| Prepayments for construction and equipment - opening                   | ( 14,449 )                     | -                              |
| Cash paid in the period  | \$ 129,306                     | \$ 116,843                     |

##### 2. Financing activities not affecting cash flows:

|   | January 1 to March 31,<br>2024 | January 1 to March 31,<br>2023 |
|---|--------------------------------|--------------------------------|
| Cash dividends announced but not yet paid | \$ 459,153                     | \$ 612,204                     |

#### (XXVIII) Changes in Liabilities Arising from Financing Activities

|  | 2024                     |                         |                   |                            |                      |   | Liabilities<br>arising from<br>financing<br>activities - Total |
|--|--------------------------|-------------------------|-------------------|----------------------------|----------------------|---|--|
|  | Short-term<br>borrowings | Long-term<br>borrowings | Lease liabilities | Corporate<br>bonds payable | Dividends<br>payable |   |  |
| January 1  | \$ 100,000               | \$ 1,542,445            | \$ 11,267         | \$ 1,048,695               | \$ -                 | - | \$ 2,702,407   |
| Changes from financing cash flows                        | ( 50,000 )               | ( 9,433 )               | ( 1,249 )         | -                          | -                    | - | ( 60,682 )   |
| Effects of exchange rate changes                         | -                        | -                       | 1                 | -                          | -                    | - | 1  |
| Changes in amortized interest of corporate bonds payable | -                        | -                       | -                 | 4,429                      | -                    | - | 4,429  |

|                        |                           |                           |                           |                           |                        |                          |
|------------------------|---------------------------|---------------------------|---------------------------|---------------------------|------------------------|--------------------------|
| Other non-cash changes | <u>                  </u> | <u>                  </u> | <u>                  </u> | <u>                  </u> | <u>459,153</u>         | <u>459,153</u>           |
| March 31               | <u>\$      50,000</u>     | <u>\$      1,533,012</u>  | <u>\$      10,019</u>     | <u>\$      1,053,124</u>  | <u>\$      459,153</u> | <u>\$      3,105,308</u> |

|                                   | 2023                      |                           |                           |                        |                          | Liabilities arising from financing activities - Total |
|-----------------------------------|---------------------------|---------------------------|---------------------------|------------------------|--------------------------|---|
|                                   | Short-term borrowings     | Long-term borrowings      | Lease liabilities         | Dividends payable      |                          |   |
| January 1                         | \$      -                 | \$  1,126,179             | \$      7,870             | \$      -              | \$  1,134,049            |   |
| Changes from financing cash flows | 500,000                   | 400,566                   | (      1,741)             | -                      | 898,825                  |   |
| Effects of exchange rate changes  | -                         | -                         | 1                         | -                      | 1                        |   |
| Other non-cash changes            | <u>                  </u> | <u>                  </u> | <u>                  </u> | <u>612,204</u>         | <u>612,204</u>           |   |
| March 31                          | <u>\$      500,000</u>    | <u>\$      1,526,745</u>  | <u>\$      6,130</u>      | <u>\$      612,204</u> | <u>\$      2,645,079</u> |   |

## VII. Related party transactions

### (I) Name and Relationship of Related Party

| Name of related party                               | Relationship with the Group                     |
|---|---|
| Superworld Electronics (S) Pte Ltd.                 | Other related party                             |
| TAI-TECH ADVANCED ELECTRONICS (S) PTE LTD           | Other related party                             |
| Superworld Electronics Co., Ltd.                    | Other related party                             |
| Superworld Electronics (Dongguan) Co., Ltd.         | Other related party                             |
| wdx Technology Co., Ltd.                            | Associate                                       |
| Jui-hsia Tai  | Immediate family member of the major management |
| Chang-i Hsieh                                       | Immediate family member of the major management |
| Chairman, Supervisor, President, and Vice President | Major management of the Group                   |

### (II) Significant Transactions with Related Party

#### 1. Operating revenue

|                     | January 1 to March 31,<br>2024 | January 1 to March 31,<br>2023 |
|---------------------|--------------------------------|--------------------------------|
| Sale of goods:      |                                |                                |
| Associate           | \$      4                      | \$      -                      |
| Other related party | 83,215                         | 76,009                         |
| Total               | <u>\$      83,219</u>          | <u>\$      76,009</u>          |

The price of goods sold to related party by the Group is the same as that for an arm's length transaction; the payment terms also approximate those for ordinarily clients.

#### 2. Purchase

|                     | January 1 to March 31,<br>2024 | January 1 to March 31,<br>2023 |
|---------------------|--------------------------------|--------------------------------|
| Purchase of goods:  |                                |                                |
| Other related party | \$ 3,066                       | \$ 2,760                       |

The price of goods purchased from related party by the Group is the same as that for an arm's length transaction; the payment terms also approximate those for ordinarily suppliers.

### 3. Freight expenses and miscellaneous expenses

|                     | January 1 to March 31,<br>2024 | January 1 to March 31,<br>2023 |
|---------------------|--------------------------------|--------------------------------|
| Other related party | \$ 1                           | \$ 7                           |

### 4. Lease transactions - lessee

(1) The Group leased buildings from the immediate family members of the major management, with the lease term due between 2023 and 2028 and the rental paid on a monthly basis.

#### (2) Lease liabilities

Balance at the end of the period:

|               | March 31, 2024         | December 31, 2023      | March 31, 2023       |
|---------------|------------------------|------------------------|----------------------|
| Jui-hsia Tai  | \$ 5,141               | \$ 5,444               | \$ 127               |
| Chang-i Hsieh | <u>3,472</u>           | <u>3,676</u>           | <u>121</u>           |
|               | <u><u>\$ 8,613</u></u> | <u><u>\$ 9,120</u></u> | <u><u>\$ 248</u></u> |

#### (3) Rental expense

|                     | January 1 to March 31,<br>2024 | January 1 to March 31,<br>2023 |
|---------------------|--------------------------------|--------------------------------|
| Other related party | \$ 43                          | \$ 43                          |

### 5. Accounts receivables due from related party

|                      | March 31, 2024    | December 31, 2023 | March 31, 2023    |
|----------------------|-------------------|-------------------|-------------------|
| Accounts receivable: |                   |                   |                   |
| Other related party  | \$ 113,326        | \$ 94,850         | \$ 101,274        |
| Associate            | 4                 | -                 | -                 |
| Total                | <u>\$ 113,330</u> | <u>\$ 94,850</u>  | <u>\$ 101,274</u> |

### 6. Accounts payables due to related party

|                     | March 31, 2024  | December 31, 2023 | March 31, 2023  |
|---------------------|-----------------|-------------------|-----------------|
| Accounts payable:   |                 |                   |                 |
| Other related party | \$ 3,527        | \$ 3,111          | \$ 3,282        |
| Other payables:     |                 |                   |                 |
| Other related party | 124             | 125               | 17              |
|                     | <u>\$ 3,651</u> | <u>\$ 3,236</u>   | <u>\$ 3,299</u> |

(III) Remuneration to Major Management

|                              | January 1 to March 31,<br>2024 | January 1 to March 31,<br>2023 |
|------------------------------|--------------------------------|--------------------------------|
| Short-term employee benefits | \$ 19,483                      | \$ 19,384                      |
| Post-retirement benefits     | 439                            | 385                            |
| Total                        | <u>\$ 19,922</u>               | <u>\$ 19,769</u>               |

VIII. Pledged assets

The Group's assets pledged as collateral are as follows:

| Asset name                    | March 31, 2024 | December 31, 2023 | March 31, 2023 | Purpose of collateral          |
|-------------------------------|----------------|-------------------|----------------|--------------------------------|
| Property, plant and equipment |                |                   |                |                                |
| – Land                        | \$ 766,893     | \$ 766,893        | \$ 766,893     | Short and long-term borrowings |
| – Buildings and structures    | 58,697         | 59,571            | 62,338         | Short and long-term borrowings |
| – Machinery                   | 390,573        | 401,327           | 433,333        | Long-term borrowings           |

IX. Significant Commitments or Contingencies

(I) Contingencies

None.

(II) Commitments

Capital expenditures committed but not yet incurred

|                               | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|-------------------------------|----------------|-------------------|----------------|
| Property, plant and equipment | \$ 96,353      | \$ 158,703        | \$ 76,454      |
| Computer software             | \$ 5,306       | \$ 1,327          | \$ 8,119       |

X. Losses from material disasters

None.

**XI. Material events after the reporting period**

None.

**XII. Others**

**(I) Capital Management**

The purposes of the Group's capital management are to ensure that the Group continues as a going concern, to maintain an optimum capital structure to lower financing costs and to provide returns of investment to shareholders. For the purpose of maintaining an optimal capital structure, the Group may adjust the amount of dividends paid to shareholders or may issue new shares.

**(II) Financial Instrument**

1. Type of financial instrument

|  | <u>March 31, 2024</u> | <u>December 31, 2023</u> | <u>March 31, 2023</u> |
|--|-----------------------|--------------------------|-----------------------|
| <b>Financial Assets</b>  |                       |                          |                       |
| Financial assets at fair value through profit or loss  |                       |                          |                       |
| Financial assets compulsorily measured at fair value through profit or loss - current increase   | \$ 550                | \$ 880                   | \$ -                  |
| Financial assets at fair value through other comprehensive income  |                       |                          |                       |
| Financial assets in equity instruments investment of which the fair value is designated to be recognized in other comprehensive income | \$ 663,617            | \$ 558,896               | \$ 455,552            |
| Financial assets at amortized cost   |                       |                          |                       |
| Cash and cash equivalents  | \$ 2,240,664          | \$ 2,152,634             | \$ 1,067,160          |
| Financial assets at amortized cost   | -                     | 30,705                   | 50,000                |
| Notes receivable, net  | 51,234                | 49,844                   | 62,232                |
| Accounts receivable, net (including those due from related party)  | 1,752,169             | 1,558,972                | 1,728,152             |
| Other receivables (including related parties)  | 17,249                | 14,002                   | 15,820                |
| Refundable deposits (recognized in other non-current assets)   | 3,088                 | 2,626                    | 1,452,632             |
|  | <u>\$ 4,064,404</u>   | <u>\$ 3,808,783</u>      | <u>\$ 4,375,996</u>   |
|  |                       |                          |                       |
| <b>Financial Liabilities</b>   |                       |                          |                       |
| Financial liabilities measured at amortized cost   |                       |                          |                       |
| Short-term borrowings  | \$ 50,000             | \$ 100,000               | \$ 500,000            |
| Notes payable  | 17,031                | 17,460                   | 15,038                |
| Accounts payable (including related parties)   | 694,751               | 553,646                  | 536,955               |
| Other payables (including related parties)   | 975,490               | 553,461                  | 1,157,227             |

|  |                     |                     |                     |
|--|---------------------|---------------------|---------------------|
| Corporate bonds payable (including due within one year or one operating cycle) | 1,053,124           | 1,048,695           | -                   |
| Long-term borrowings (including those due within one year)                     | 1,533,012           | 1,542,445           | 1,526,745           |
| Guarantee deposits received (recognized in other non-current liabilities)      | 1,640               | 1,640               | 1,640               |
|  | <u>\$ 4,325,048</u> | <u>\$ 3,817,347</u> | <u>\$ 3,737,605</u> |
| Lease liabilities (including those due within one year)                        | <u>\$ 10,019</u>    | <u>\$ 11,267</u>    | <u>\$ 6,130</u>     |

## 2. Risk management policy

- (1) The Group's daily operations are affected by various financial risks, *e.g.*, market risk (including exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's risk management policy focuses on the unpredictable market events in order to minimize their potentially adverse impacts on the Group's financial position and financial performance.
- (2) The Group's key financial activities are reviewed by the Board of Directors against relevant regulations and its internal control systems. The Company strictly abides by relevant financial operating procedures during the implementation of financial plans.

## 3. The nature and degree of significant financial risks

### (1) Market risks

#### Foreign currency risk

- A. The Group operates internationally and so is subject to the exchange rate risk of different currencies, particularly the USD and RMB. Relevant exchange rate risk arises from future business transactions and the recognized assets and liabilities. In addition, the conversion from RMB to other currencies is subject to the foreign currency exchange control regulations imposed by China.
- B. The Group's management has formulated relevant policy to require entities within the Group to manage the foreign exchange risks associated with their functional currency. Foreign exchange risk arises when future business transactions or recognized assets or liabilities are denominated in a currency other than the entity's functional currency.
- C. Since the Group engages in business involving multiple functional currencies (*e.g.*, the Company's functional currency is NTD while some subsidiaries' functional currencies are either USD or RMB), the Group is subject to fluctuation in foreign exchange rates. Foreign-currency-denominated assets and liabilities having significant impacts if foreign exchange rates change were as follows:

| March 31, 2024                          |                  |                               |
|---|------------------|-------------------------------|
| Foreign currency<br>(in thousands)      | Exchange<br>rate | Carrying amount<br>(NTD/ RMB) |
| (Foreign currency: functional currency) |                  |                               |

| <u>Financial Assets</u>                        |    |                                    |                  |                               |           |
|--|----|------------------------------------|------------------|-------------------------------|-----------|
| <u>Monetary items</u>                          |    |                                    |                  |                               |           |
| USD : NTD                                      | \$ | 33,233                             | 32.00            | \$                            | 1,063,456 |
| RMB : NTD                                      |    | 111,762                            | 4.51             |                               | 504,047   |
| USD : RMB                                      |    | 36,956                             | 7.10             |                               | 262,388   |
| <u>Financial Liabilities</u>                   |    |                                    |                  |                               |           |
| <u>Monetary items</u>                          |    |                                    |                  |                               |           |
| USD : NTD                                      | \$ | 21,831                             | 32.00            | \$                            | 698,592   |
| RMB : NTD                                      |    | 1,172                              | 4.51             |                               | 5,286     |
| USD : RMB                                      |    | 7,257                              | 7.10             |                               | 51,525    |
| December 31, 2023                              |    |                                    |                  |                               |           |
|  |    | Foreign currency<br>(in thousands) | Exchange<br>rate | Carrying amount<br>(NTD/ RMB) |           |
| <b>(Foreign currency: functional currency)</b> |    |                                    |                  |                               |           |
| <u>Financial Assets</u>                        |    |                                    |                  |                               |           |
| <u>Monetary items</u>                          |    |                                    |                  |                               |           |
| USD : NTD                                      | \$ | 30,482                             | 30.71            | \$                            | 936,102   |
| RMB : NTD                                      |    | 84,651                             | 4.34             |                               | 367,385   |
| USD : RMB                                      |    | 40,037                             | 7.08             |                               | 283,462   |
| <u>Financial Liabilities</u>                   |    |                                    |                  |                               |           |
| <u>Monetary items</u>                          |    |                                    |                  |                               |           |
| USD : NTD                                      | \$ | 19,764                             | 30.71            | \$                            | 606,952   |
| RMB : NTD                                      |    | 706                                | 4.34             |                               | 3,064     |
| USD : RMB                                      |    | 8,939                              | 7.08             |                               | 63,288    |
| March 31, 2023                                 |    |                                    |                  |                               |           |
|  |    | Foreign currency<br>(in thousands) | Exchange<br>rate | Carrying amount<br>(NTD/ RMB) |           |
| <b>(Foreign currency: functional currency)</b> |    |                                    |                  |                               |           |
| <u>Financial Assets</u>                        |    |                                    |                  |                               |           |
| <u>Monetary items</u>                          |    |                                    |                  |                               |           |
| USD : NTD                                      | \$ | 37,229                             | 30.45            | \$                            | 1,133,623 |
| RMB : NTD                                      |    | 69,965                             | 4.43             |                               | 309,945   |
| USD : RMB                                      |    | 38,525                             | 6.87             |                               | 264,667   |
| <u>Financial Liabilities</u>                   |    |                                    |                  |                               |           |
| <u>Monetary items</u>                          |    |                                    |                  |                               |           |
| USD : NTD                                      | \$ | 23,473                             | 30.45            | \$                            | 714,753   |
| RMB : NTD                                      |    | 6,358                              | 4.43             |                               | 28,166    |
| USD : RMB                                      |    | 13,433                             | 6.87             |                               | 92,285    |

D. The Group's monetary items have a significant impact due to exchange rate fluctuations. The aggregate amount of all exchange incomes (including realized and unrealized) recognized for the three months ended March 31, 2024 and 2023 were exchange gains of NT\$43,866 and profits of NT\$16,024, respectively. Since the Group's transactions involve multiple currencies that

have significant foreign exchange impacts, they are disclosed as a whole.

E. Foreign exchange risks arising from significant exchange rate changes that the Group is exposed to were as follows:

| <u>January 1 to March 31, 2024</u>             |                              |   |      |
|--|------------------------------|---|------|
| <u>Sensitivity Analysis</u>                    |                              |   |      |
| Fluctuation                                    | Effects on P/L<br>(NTD/ RMB) | Effects on other<br>comprehensive<br>income (OCI) |      |
| <b>(Foreign currency: functional currency)</b> |                              |   |      |
| <b>Financial Assets</b>                        |                              |   |      |
| <b>Monetary items</b>                          |                              |   |      |
| USD : NTD                                      | 1%                           | \$ 10,635   | \$ - |
| RMB : NTD                                      | 1%                           | 5,040   | -    |
| USD : RMB                                      | 1%                           | 2,624   | -    |
| <b>Financial Liabilities</b>                   |                              |   |      |
| <b>Monetary items</b>                          |                              |   |      |
| USD : NTD                                      | 1%                           | 6,986   | -    |
| RMB : NTD                                      | 1%                           | 53  | -    |
| USD : RMB                                      | 1%                           | 515   | -    |

| <u>January 1 to March 31, 2023</u>             |                              |   |      |
|--|------------------------------|---|------|
| <u>Sensitivity Analysis</u>                    |                              |   |      |
| Fluctuation                                    | Effects on P/L<br>(NTD/ RMB) | Effects on other<br>comprehensive<br>income (OCI) |      |
| <b>(Foreign currency: functional currency)</b> |                              |   |      |
| <b>Financial Assets</b>                        |                              |   |      |
| <b>Monetary items</b>                          |                              |   |      |
| USD : NTD                                      | 1%                           | \$ 11,336   | \$ - |
| RMB : NTD                                      | 1%                           | 3,099   | -    |
| USD : RMB                                      | 1%                           | 2,647   | -    |
| <b>Financial Liabilities</b>                   |                              |   |      |
| <b>Monetary items</b>                          |                              |   |      |
| USD : NTD                                      | 1%                           | 7,148   | -    |
| RMB : NTD                                      | 1%                           | 282   | -    |
| USD : RMB                                      | 1%                           | 923   | -    |

### Price risk

A. Since the Group's investment is classified as financial assets measured at fair value through profit or loss and financial assets measured at fair value other comprehensive income on the consolidated balance sheets, the Group is exposed to the risk of price changes in financial assets of equity instrument.

B. The Group mainly invests in equity instruments issued by a domestic or foreign company. The price of such equity instruments can be affected by

changes in future value of their investment targets. If the price of these equity instruments rises or falls by 1%, and all other factors remain unchanged, the difference in other comprehensive income for the three months ended March 31, 2024 and 2023, is classified as gain or loss on the equity investment measured at fair value increased or decreased by NT\$6,636 and NT\$4,556, respectively.

#### Cash flow and fair value interest rate risk

- A. The Group's interest rate risks mainly come from short- and long-term borrowings issued at floating interest rates. Such exposure also means the Group is exposed to cash flow interest rate risks, though a portion of risks have been offset by the Group's holding of cash bearing a floating interest rate. For the three months ended March 31, 2024 and 2023, the Group's borrowings at floating interest rates were denominated in NTD and USD.
- B. When the NTD and USD borrowing rates increased or decreased by 1%, and all other factors remained unchanged, the net profit after tax for the years ended March 31, 2024 and 2023 would have decreased or increased by NT\$3,166 and NT\$4,053, respectively. This was mainly due to the change in interest expense on borrowings with floating interest rates.

#### (2) Credit risk

- A. Credit risk refers to the risk of financial loss to the Group arising from default by clients, or by counter-parties of financial instruments on the contract obligations. Credit risk of the Group mainly comes from accounts receivable, notes receivable, and the contractual cash flows of financial assets measured at amortized cost that are prone to default by counter-parties.
- B. The Group establishes a framework for managing credit risks from a group's perspective. As the internal credit approval policy stipulates, an operating entity within the Group shall manage and analyze the credit risk of a new client before proposing terms and conditions pertaining to payments and delivery of goods. Internal risk control is achieved by evaluating a client's credit quality against the client's financial position, credit records and other factors. The limit on individual risk is set by the management by referring to internal or external ratings. The status of utilization of credit lines is regularly monitored.
- C. The Group applies the presumption of IFRS 9 and deems that the credit risk of a financial assets has significantly increased after initial recognition when the receivables obliged by the contractual terms are 30-days past due.
- D. The Group's credit risk management procedures deem a default occurred when a counterparty is significantly delinquent on repayments.
- E. After the recourse procedures, the Group writes off financial assets that could not be reasonably expected to be recovered. Nonetheless, the Group will continue the recourse legal procedures to secure its right to the debt. The Group's debts that had been written off but were continuously pursued were NT\$0 as of March 31, 2024, December 31, 2023, and March 31, 2023.
- F. The Group classifies accounts receivable due from clients by the characteristics of their ratings, and adopts the simplified approach that measures expected credit losses based on the preparation matrix.
- G. By taking into account the forward-looking consideration that economic

indicators hold, the Group adjusts the expected credit loss rate that was established based on historical or present information, so as to estimate the allowance for accounts receivable, notes receivable, and uncollectible overdue receivables. The preparation matrices as of March 31, 2024, December 31, 2023, and March 31, 2023 were as follows:

|                          | Individual disclosure | Not yet due  | Within 30 days past due | 31-90 days past due | 91-180 days past due | Total        |
|--------------------------|-----------------------|--------------|-------------------------|---------------------|----------------------|--------------|
| <u>March 31, 2024</u>    |                       |              |                         |                     |                      |              |
| Expected loss (%)        | 100.00%               | 0.07%        | 5.44%                   | 6.94%               | 100.00%              |              |
| Total carrying amount    | \$ 1,252              | \$ 1,800,474 | \$ 3,459                | \$ 1,006            | \$ -                 | \$ 1,806,191 |
| Loss allowance           | \$ 1,252              | \$ 940       | \$ 569                  | \$ 27               | \$ -                 | \$ 2,788     |
| <u>December 31, 2023</u> |                       |              |                         |                     |                      |              |
| Expected loss (%)        | 100.00%               | 0.07%        | 5.44%                   | 6.94%               | 100.00%              |              |
| Total carrying amount    | \$ 1,252              | \$ 1,584,189 | \$ 24,900               | \$ 1,230            | \$ 8                 | \$ 1,611,579 |
| Loss allowance           | \$ 1,252              | \$ 924       | \$ 552                  | \$ 27               | \$ 8                 | \$ 2,763     |
| <u>March 31, 2023</u>    |                       |              |                         |                     |                      |              |
| Expected loss (%)        | 100.00%               | 0.07%        | 5.44%                   | 6.94%               | 100.00%              |              |
| Total carrying amount    | \$ 1,252              | \$ 1,756,150 | \$ 36,684               | \$ -                | \$ -                 | \$ 1,794,086 |
| Loss allowance           | \$ 1,252              | \$ 1,862     | \$ 588                  | \$ -                | \$ -                 | \$ 3,702     |

H. Changes in the loss allowances provided for accounts receivable using the simplified approach are as follows:

|                       | 2024                |                  |                                   |          |
|-----------------------|---------------------|------------------|-----------------------------------|----------|
|                       | Accounts Receivable | Notes receivable | Uncollectible overdue receivables | Total    |
| January 1             | \$ 1,511            | \$ -             | \$ 1,252                          | \$ 2,763 |
| Exchange rate effects | 25                  | -                | -                                 | 25       |
| March 31              | \$ 1,536            | \$ -             | \$ 1,252                          | \$ 2,788 |

|                       | 2023                |                  |                                   |          |
|-----------------------|---------------------|------------------|-----------------------------------|----------|
|                       | Accounts Receivable | Notes receivable | Uncollectible overdue receivables | Total    |
| January 1             | \$ 2,442            | \$ -             | \$ 1,252                          | \$ 3,694 |
| Exchange rate effects | 8                   | -                | -                                 | 8        |
| March 31              | \$ 2,450            | \$ -             | \$ 1,252                          | \$ 3,702 |

### (3) Liquidity risk

A. Cash flows forecast is done by each operating entity; the Administration Department of the Group is responsible only for summarizing the results. Administration Department of the Group monitors the forecast of the Group's liquidity needs to ensure that it has sufficient funds to meet operating needs and maintain sufficient unused loan commitments so that it won't default on any borrowing limits or terms. Such a forecast takes into account the Group's debt financing plan, compliance with provisions of debt instruments, fulfillment of the financial ratio targets on the balance sheet and conformity with external regulatory requirements, such as foreign exchange control.

B. The table below listed the Group's non-derivative financial liabilities by maturity date. They were analyzed for the residual duration between the balance sheet date and the maturity date. The table below disclosed the contractual cash flows not discounted.

Non-derivative financial liabilities:

| March 31, 2024  | Less than 1 year | 1~2 years | 2~5 years | Over than 5 years |
|---|------------------|-----------|-----------|-------------------|
| Short-term borrowings   | \$ 50,000        | \$ -      | \$ -      | \$ -              |
| Notes payable   | 17,031           | -         | -         | -                 |
| Accounts payable<br>(including related parties)               | 694,751          | -         | -         | -                 |
| Other payables (including related parties)                    | 975,490          | -         | -         | -                 |
| Lease liabilities<br>(including those due within one year)    | 3,402            | 2,161     | 4,456     | -                 |
| Corporate bonds payable                                       | -                | -         | 1,100,000 | -                 |
| Long-term borrowings<br>(including those due within one year) | 58,969           | 330,376   | 885,060   | 350,036           |

Non-derivative financial liabilities:

| December 31, 2023  | Less than 1 year | 1~2 years | 2~5 years | Over than 5 years |
|--|------------------|-----------|-----------|-------------------|
| Short-term borrowings                                      | \$ 100,000       | \$ -      | \$ -      | \$ -              |
| Notes payable  | 17,460           | -         | -         | -                 |
| Accounts payable<br>(including related parties)            | 553,646          | -         | -         | -                 |
| Other payables (including related parties)                 | 553,461          | -         | -         | -                 |
| Lease liabilities<br>(including those due within one year) | 4,085            | 2,199     | 4,983     | -                 |
| Corporate bonds payable                                    | -                | -         | 1,100,000 | -                 |
| Long-term borrowings<br>(including those due               | 57,227           | 261,065   | 902,117   | 410,727           |

within one year)  
Non-derivative financial liabilities:

|  | Less than 1<br>year | 1~2 years | 2~5 years | Over than 5<br>years |
|--|---------------------|-----------|-----------|----------------------|
| March 31, 2023   |                     |           |           |                      |
| Short-term borrowings  | \$ 500,000          | \$ -      | \$ -      | \$ -                 |
| Notes payable  | 15,038              | -         | -         | -                    |
| Accounts payable   | 533,673             | -         | -         | -                    |
| Accounts payable -<br>related parties                            | 3,282               | -         | -         | -                    |
| Other payables (including<br>related parties)                    | 1,157,227           | -         | -         | -                    |
| Lease liabilities<br>(including those due<br>within one year)    | 4,725               | 1,206     | 199       | -                    |
| Long-term borrowings<br>(including those due<br>within one year) | 57,201              | 56,588    | 917,255   | 597,946              |

C. The Group does not expect a maturity analysis of which the cash flows timing would be significantly earlier, or the actual amount would be significantly different.

(III) Fair Value Information

1. Below are the definitions assigned to each level of valuation technique used to measure the fair value of financial and non-financial assets.

Level 1: The quoted price (unadjusted) is available to the enterprise in an active market for the same assets or liabilities on the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed shares is included in Level 1.

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

Level 3: The unobservable input value of the asset or liability. This includes the equity instruments without active market investment by the Company.

2. Financial instruments not measured at fair value

(1) Including cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivables, other receivables, short-term borrowings, notes payable, accounts payable, other payable, lease liability and long-term borrowings (including the portion with maturity in one year), is the reasonable approximation of their fair value, except for those listed in the table below,

| March 31, 2024      |         |         |         |
|---------------------|---------|---------|---------|
| Fair value per unit |         |         |         |
| Carrying<br>amount  | Level 1 | Level 2 | Level 3 |

Financial liabilities:

|                            |              |      |              |      |
|----------------------------|--------------|------|--------------|------|
| Corporate bonds<br>payable | \$ 1,053,124 | \$ - | \$ 1,340,900 | \$ - |
|----------------------------|--------------|------|--------------|------|

December 31, 2023

Fair value per unit

| Carrying<br>amount | Level 1 | Level 2 | Level 3 |
|--------------------|---------|---------|---------|
|--------------------|---------|---------|---------|

Financial liabilities:

|                            |              |      |              |      |
|----------------------------|--------------|------|--------------|------|
| Corporate bonds<br>payable | \$ 1,048,695 | \$ - | \$ 1,274,900 | \$ - |
|----------------------------|--------------|------|--------------|------|

There was no such transaction on March 31, 2023.

(2) The techniques and assumptions used to measure fair value are stated as follows:

|                |         |         |         |       |
|----------------|---------|---------|---------|-------|
| March 31, 2024 | Level 1 | Level 2 | Level 3 | Total |
|----------------|---------|---------|---------|-------|

**ASSETS**

Recurring fair value

Financial assets at fair value  
through other comprehensive  
income

|                         |            |      |            |            |
|-------------------------|------------|------|------------|------------|
| Equity-based securities | \$ 193,269 | \$ - | \$ 470,348 | \$ 663,617 |
|-------------------------|------------|------|------------|------------|

Derivatives

Right of redemption of  
convertible bonds

|      |        |      |        |
|------|--------|------|--------|
| \$ - | \$ 550 | \$ - | \$ 550 |
|------|--------|------|--------|

December 31, 2023

|         |         |         |       |
|---------|---------|---------|-------|
| Level 1 | Level 2 | Level 3 | Total |
|---------|---------|---------|-------|

**ASSETS**

Recurring fair value

Financial assets at fair value  
through other comprehensive  
income

|                         |            |      |            |            |
|-------------------------|------------|------|------------|------------|
| Equity-based securities | \$ 116,876 | \$ - | \$ 442,020 | \$ 558,896 |
|-------------------------|------------|------|------------|------------|

Derivatives

Right of redemption of  
convertible bonds

|      |        |      |        |
|------|--------|------|--------|
| \$ - | \$ 880 | \$ - | \$ 880 |
|------|--------|------|--------|

March 31, 2023

|         |         |         |       |
|---------|---------|---------|-------|
| Level 1 | Level 2 | Level 3 | Total |
|---------|---------|---------|-------|

**ASSETS**

Recurring fair value

Financial assets at fair value  
through other comprehensive  
income

|                         |            |      |            |            |
|-------------------------|------------|------|------------|------------|
| Equity-based securities | \$ 100,294 | \$ - | \$ 355,258 | \$ 455,552 |
|-------------------------|------------|------|------------|------------|

Corporate bonds payable: The coupon rate of the corporate bonds issued by the Group is similar to the market. Therefore, the fair value is estimated based on the discount value of the expected cash flows based on the market interest rate.

3. Financial and non-financial assets at fair value are classified by nature, characteristic, risk, and fair value level, stated as follows:

- (1) The Group classifies its assets and liabilities by their function; stated as follows:
- (2) The techniques and assumptions used to measure fair value are stated as follows:
  - A. Financial instruments of which the fair value is marked to market quotations (i.e. level 1 inputs) are stated as follows:

|                  | <u>Listed shares</u> | <u>Convertible corporate bonds</u> |
|------------------|----------------------|------------------------------------|
| Market quotation | Closing price        | Weighted average price in hundreds |

- B. Except for financial instruments with an active market, the fair value of other financial instruments is obtained either based on the valuation technique or by reference to the quotes from counter-parties. Fair value can be obtained by using a valuation technique that refers to the fair value of financial instruments having substantially the same terms and characteristics, or by using other valuation technique, *e.g.*, the one that applies market information available on the consolidated balance sheets date to a pricing model for calculation.
- C. Outputs from the valuation models are estimates and valuation techniques may not be able to reflect all relevant factors of the financial and non-financial instruments held by the Group. Therefore, when needed, estimates from the valuation model would be adjusted for additional parameters, *e.g.*, model risk or liquidity risk.
4. There was no transfer between levels 1 and 2 for the three months ended March 31, 2024 and 2023.
5. The following table shows the changes in Level 3 for the three months ended March 31, 2024 and 2023:

|  | 2024                    |        | 2023                    |        |
|--|-------------------------|--------|-------------------------|--------|
|  | Equity-based securities |        | Equity-based securities |        |
| January 1  | \$ 442,020              |        | \$ 297,657              |        |
| Gains or losses recognized in other comprehensive income   |                         |        |                         |        |
| Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income |                         | 26,283 |                         | 51,538 |
| Purchase of current period   |                         | -      |                         | 6,085  |
| Exchange rate effects  |                         | 2,045  | (22)                    |        |
| March 31   | \$ 470,348              |        | \$ 355,258              |        |

6. There was no transfer into or out of Level 3 during the three months ended March 31, 2024 and 2023.
7. Valuation process regarding fair value Level 3 is conducted by the Group's Finance Department, which conducts an independent fair value verification through use of independent data source in order to make the valuation results close to market conditions, and to ensure that the data source is independent, reliable, and consistent with other sources, and that the fair value is adjusted where appropriate, thereby

ensuring a reasonable valuation result.

8. The quantitative information on, changes in, and sensitivity analysis of significant unobservable inputs used in Level 3 fair value measurement are stated as follows:

|   | March 31, 2024      |                            |                                    |                             |   |  |
|---|---------------------|----------------------------|------------------------------------|-----------------------------|---|--|
|   | Fair value per unit | Valuation technique        | Significant unobservable Inputs    | Interval (weighted average) | Relationship between inputs and fair value                                  |  |
| <b>Non-derivative equity instruments:</b> |                     |                            |                                    |                             |   |  |
| Unlisted shares                           | \$ 470,348          | Public company comparables | Discount for lack of marketability | 15%~20%<br>(18.75%)         | The higher the discount for lack of marketability, the lower the fair value |  |
|   | December 31, 2023   |                            |                                    |                             |   |  |
|   | Fair value per unit | Valuation technique        | Significant unobservable Inputs    | Interval (weighted average) | Relationship between inputs and fair value                                  |  |
| <b>Non-derivative equity instruments:</b> |                     |                            |                                    |                             |   |  |
| Unlisted shares                           | \$ 442,020          | Public company comparables | Discount for lack of marketability | 15%~20%<br>(18.75%)         | The higher the discount for lack of marketability, the lower the fair value |  |
|   | March 31, 2023      |                            |                                    |                             |   |  |
|   | Fair value per unit | Valuation technique        | Significant unobservable Inputs    | Interval (weighted average) | Relationship between inputs and fair value                                  |  |
| <b>Non-derivative equity instruments:</b> |                     |                            |                                    |                             |   |  |
| Unlisted shares                           | \$ 355,258          | Public company comparables | Discount for lack of marketability | 15%~20%<br>(18%)            | The higher the discount for lack of marketability, the lower the fair value |  |

9. The Group elects to adopt valuation models and valuation parameters under prudential consideration. Nonetheless, this does not preclude the differences arising from adoption of different valuation models or parameters. If valuation parameters change, financial assets classified as Level 3 will have effects on other comprehensive income, stated as follows:

|                         | March 31, 2024    |         |  |                     |                   |                     |
|-------------------------|-------------------|---------|--|---------------------|-------------------|---------------------|
|                         | Recognized in P/L |         | Recognized in other comprehensive income (OCI) |                     |                   |                     |
|                         | Inputs            | Changes | Favorable changes                              | Unfavorable changes | Favorable changes | Unfavorable changes |
| <b>Financial Assets</b> |                   |         |  |                     |                   |                     |
| Equity instruments      | \$ 561,388        | ±1%     | \$ -   | \$ -                | \$ 5,033          | (\$ 5,607)          |

December 31, 2023

| Recognized in P/L | Recognized in other comprehensive income (OCI) |
|-------------------|--|
|-------------------|--|

|                         | Inputs     | Changes | Favorable         | Unfavorable         | Favorable                                      | Unfavorable         |
|-------------------------|------------|---------|-------------------|---------------------|--|---------------------|
|                         |            |         | changes           | changes             | changes  | changes             |
| <b>Financial Assets</b> |            |         |                   |                     |  |                     |
| Equity instruments      | \$ 529,156 | ±1%     | \$ -              | \$ -                | \$ 4,941                                       | (\$ 5,235)          |
| <u>March 31, 2023</u>   |            |         |                   |                     |  |                     |
|                         |            |         | Recognized in P/L |                     | Recognized in other comprehensive income (OCI) |                     |
|                         | Inputs     | Changes | Favorable changes | Unfavorable changes | Favorable changes                              | Unfavorable changes |
| <b>Financial Assets</b> |            |         |                   |                     |  |                     |
| Equity instruments      | \$ 428,231 | ±1%     | \$ -              | \$ -                | \$ 4,076                                       | (\$ 4,119)          |

### XIII. Additional Disclosures

#### (I) Information on Significant Transactions

1. Loaning Funds to Others: Refer to Table 1.
2. Provision of Endorsements and Guarantees: Refer to Table 2.
3. Marketable Securities Held at the End of the Period (Excluding Investment in Subsidiaries, Associates and the Control Portion in a Joint Venture): refer to Table 3.
4. Accumulative Purchase of Disposal of the Same Marketable Securities that Reaches NT\$300 Million or 20 Percent or More of Paid-in Capital: None.
5. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
6. Disposal of Real Property That Reaches NT\$300 Million or 20 Percent or More of Paid-in Capital: None.
7. Transaction with Related Party That Reaches NT\$100 Million or 20% or More of Paid-in Capital: refer to Table 4.
8. Receivables Due from Related Party That Reach NT\$100 Million or 20% or More of Paid-in Capital: refer to Table 5.
9. Engagement in derivative transactions: See Note 12 (3).
10. Significant Inter-company Transactions during the Reporting Period. Refer to Table 6 for details.

#### (II) Information on Indirect Investment

Names and Location of Investees (Excluding Those in Mainland China): refer to Table 7.

#### (III) Investment in Mainland China

1. Basic information: Refer to Table 8.
2. Significant transactions that occurred directly or indirectly through third-region enterprises and investee companies and were reinvested in mainland China: refer to Table 6

(IV) Major Shareholder Information

Major Shareholder Information: Refer to Table 9.

**XIV. Segment Information**

(I) General Information

The Group engages in a single industry; the Group's Board of Directors evaluates the performance of and allocates resources to the Group as a whole. As such, the Group identifies itself to be a single reporting segment.

(II) Segment Information

Information on reportable segment provided to the main operating decision makers:

|  | January 1 to March 31,<br>2024 | January 1 to March 31,<br>2023 |
|--|--------------------------------|--------------------------------|
| Segment revenue  | \$ 1,171,733                   | \$ 1,175,868                   |
| Segment gross profit   | \$ 264,410                     | \$ 360,554                     |
| Segment profits or losses                                    | \$ 165,560                     | \$ 212,874                     |
| Discount and amortization (including<br>right-of-use assets) | \$ 136,153                     | \$ 129,207                     |
| Income tax expenses  | \$ 20,881                      | \$ 35,286                      |
|  | <u>March 31, 2024</u>          | <u>March 31, 2023</u>          |
| Segment assets   | \$ 11,412,773                  | \$ 10,308,910                  |
| Segment liabilities  | \$ 4,685,029                   | \$ 4,134,537                   |

(III) Reconciliation of Segment Profit or Loss

Reconciliation is not required because the profit or loss information on the reporting segment that was provided to the main operating decision makers is consistent with that prepared and disclosed in the financial statements.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

Loans of funds to others

January 1 to March 31, 2024

Table 1

Unit: NT\$ thousand  
(unless otherwise specified)

| No. | Lending company                  | Borrowing party                                  | Transaction item  | Whether or not a related party |    | Maximum balance amount | Ending balance | Amount actually drawn | Interest rate range | Loans of funds to others  | Business dealing amount | Reason for necessary short-term financing | Allowance for Impairment Loss | Collaterals |       | Limit of loans to individual borrowers (Note) | Total limit of loans (Note) | Remarks |
|-----|----------------------------------|--|-------------------|--------------------------------|----|------------------------|----------------|-----------------------|---------------------|---------------------------|-------------------------|---|-------------------------------|-------------|-------|---|-----------------------------|---------|
|     |                                  |  |                   | Yes                            | No |                        |                |                       |                     |                           |                         |   |                               | Name        | Value |   |                             |         |
| 1   | FIXED ROCK HOLDING LTD.          | TAIPAQ Electronic Components (Si-Hong) Co., Ltd. | Other receivables | Yes                            | No | \$ 192,000             | \$ 192,000     | \$ 92,800             | 2.00%               | Short-term financing fund | \$ -                    | Business revolving fund                   | \$ -                          | -           | \$ -  | \$ 5,333,166                                  | \$ 5,333,166                |         |
| 3   | NORTH STAR INTERNATIONAL LIMITED | FIXED ROCK HOLDING LTD.                          | Other receivables | Yes                            | No | \$ 96,000              | \$ 96,000      | \$ 90,560             | 2.00%               | Short-term financing fund | \$ -                    | Business revolving fund                   | \$ -                          | -           | \$ -  | \$ 5,333,166                                  | \$ 5,333,166                |         |

Note: The total amount of loaning of funds to others of the Company shall not exceed 40% of the net worth of the Company, and the amount of loaning of fund to an individual company or firm shall not exceed 20% of the net worth of the Company.

The total amount of loaning of funds and the individual loan between subsidiaries with more than 100% of voting shares directly and indirectly by the Company shall not exceed 80% of the net worth of the parent company of the Group and the loan period shall not exceed three years.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

Endorsements/guarantees

January 1 to March 31, 2024

Table 2

Unit: NT\$ thousand  
(unless otherwise specified)

| No. | Endorsements/guarantees<br>company name    | Endorsed/guaranteed party name<br>provider            | Relationship | Limits on<br>endorsement/g<br>uarantee<br>amount<br>provided<br>(Note) | Balance of<br>maximum<br>amount of<br>endorsement/g<br>uarantee of the<br>period | Ending balance<br>of<br>endorsement/g<br>uarantee | Amount<br>actually drawn | Amount of<br>endorsement/g<br>uarantee<br>collateralized<br>by properties | Ratio of<br>accumulated<br>endorsement/g<br>uarantee to net<br>equity per<br>latest financial<br>statements | Maximum<br>amount of<br>endorsement/g<br>uarantee<br>allowance | Endorsement/g<br>uarantee<br>provided by<br>parent<br>company to<br>subsidiary | Endorsement/g<br>uarantee<br>provided by<br>subsidiary to<br>parent<br>company | Endorsement/g<br>uarantee<br>provided to<br>Mainland<br>China | Remarks |
|-----|--|---|--------------|--|--|---|--------------------------|---|---|--|--|--|---|---------|
| 0   | Tai-Tech Advanced Electronics<br>Co., Ltd. | TAIPAQ Electronic Components<br>(Si-Hong) Co., Ltd.   | Subsidiary   | \$ 2,666,583   | \$ 256,000   | \$ 256,000  | \$ -                     | \$ -  | 3.84%   | \$ 3,333,229   | Yes  | No   | Yes   |         |
| 0   | Tai-Tech Advanced Electronics<br>Co., Ltd. | TAI-TECH Advanced Electronics<br>(Kun Shan) Co., Ltd. | Subsidiary   | \$ 2,666,583   | \$ 64,000  | \$ 64,000   | \$ -                     | \$ -  | 0.96%   | \$ 3,333,229   | Yes  | No   | Yes   |         |

Note: The total amount of endorsements/guarantees shall not exceed 50% of the net worth of the Company. The amount of endorsements/guarantees made for one single enterprise shall not exceed 40% of the net worth of the Company.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

Marketable Securities Held at the End of the Period (Excluding Investment in Subsidiaries, Affiliated Companies and the Control Portion in a Joint Venture)

March 31, 2024

Table 3

Unit: NT\$ thousand  
(unless otherwise specified)

| Holding company name                             | Marketable securities types and name                  | Relationship with issuer | Financial statement account  | End of period                   |                 |                          |                     | Remarks   |
|--|---|--------------------------|--|---------------------------------|-----------------|--------------------------|---------------------|-----------|
|  |   |                          |  | Number of shares (in thousands) | Carrying amount | Shareholdings Percentage | Fair value per unit |           |
| Tai-Tech Advanced Electronics Co., Ltd.          | Short-term bills payable: Ruibao Investment Co., Ltd. | None                     | Cash and cash equivalents  | -                               | \$ 55,453       | -                        | \$ 55,453           | Unpledged |
| Tai-Tech Advanced Electronics Co., Ltd.          | Tongfu Investment Co., Ltd.                           | None                     | Cash and cash equivalents  | -                               | \$ 4,712        | -                        | \$ 4,712            | Unpledged |
| Tai-Tech Advanced Electronics Co., Ltd.          | Fulong Metal Industrial Co., Ltd.                     | None                     | Cash and cash equivalents  | -                               | \$ 39,835       | -                        | \$ 39,835           | Unpledged |
| Tai-Tech Advanced Electronics Co., Ltd.          | Su Muh Enterprise Co., Ltd.                           | None                     | Cash and cash equivalents  | -                               | \$ 39,945       | -                        | \$ 39,945           | Unpledged |
| Tai-Tech Advanced Electronics Co., Ltd.          | Yuen Chang Stainless Steel Co., Ltd.                  | None                     | Cash and cash equivalents  | -                               | \$ 59,924       | -                        | \$ 59,924           | Unpledged |
| Tai-Tech Advanced Electronics Co., Ltd.          | Fu-Yuan Construction Co., Ltd.                        | None                     | Cash and cash equivalents  | -                               | \$ 96,652       | -                        | \$ 96,652           | Unpledged |
| Tai-Tech Advanced Electronics Co., Ltd.          | Tong Tai Hsing Rubber Ind. Co., Ltd.                  | None                     | Cash and cash equivalents  | -                               | \$ 3,479        | -                        | \$ 3,479            | Unpledged |
| Tai-Tech Advanced Electronics Co., Ltd.          | Stock: All Ring Tech Co., Ltd.                        | None                     | Financial assets at fair value through other comprehensive income acquired - non-current | 615                             | \$ 153,135      | 0.72%                    | \$ 153,135          | Unpledged |
| Tai-Tech Advanced Electronics Co., Ltd.          | Ample Electronic Technology Inc.                      | None                     | Financial assets at fair value through other comprehensive income acquired - non-current | 300                             | \$ 21,030       | 0.93%                    | \$ 21,030           | Unpledged |
| Tai-Tech Advanced Electronics Co., Ltd.          | AMIDA Technology                                      | None                     | Financial assets at fair value through other comprehensive income acquired - non-current | 179                             | \$ 19,104       | 0.43%                    | \$ 19,104           | Unpledged |
| Tai-Tech Advanced Electronics Co., Ltd.          | SFI Electronics Technology Inc.                       | None                     | Financial assets at fair value through other comprehensive income acquired - non-current | 4,320                           | \$ 83,640       | 9.82%                    | \$ 83,640           | Unpledged |
| Tai-Tech Advanced Electronics Co., Ltd.          | AZ Venture Investment II Limited                      | None                     | Financial assets at fair value through other comprehensive income acquired - non-current | 1,500                           | \$ 15,165       | 12.50%                   | \$ 15,165           | Unpledged |
| Tai-Tech Advanced Electronics Co., Ltd.          | I-See Vision Technology Inc.                          | None                     | Financial assets at fair value through other comprehensive income acquired - non-current | 2,000                           | \$ 11,640       | 4.47%                    | \$ 11,640           | Unpledged |
| BEST BLISS INVESTMENTS LIMITED                   | Superworld Holdings (S) PTE LTD.                      | Other related party      | Financial assets at fair value through other comprehensive income acquired - non-current | 2,000                           | \$ 309,811      | 10%                      | \$ 309,811          | Unpledged |
| TAIPAQ Electronic Components (Si-Hong) Co., Ltd. | Xiamen Eisend Electronics Co., Ltd                    | None                     | Financial assets at fair value through other comprehensive income acquired - non-current | -                               | \$ 50,092       | 17%                      | \$ 50,092           | Unpledged |

## Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

Transaction with Related Party That Reaches NT\$100 Million or 20% or More of Paid-in Capital

January 1 to March 31, 2024

Table 4

Unit: NT\$ thousand  
(unless otherwise specified)

| Company of purchase (sale)                       | Transaction party name                           | Relationship      | Transaction Details |           |                                     | Abnormal Transaction and Reason | Notes/Accounts Receivable (Payable) |            |               | Percentage of total notes/accounts receivable (payable) | Remarks |
|--|--|-------------------|---------------------|-----------|-------------------------------------|---------------------------------|-------------------------------------|------------|---------------|---|---------|
|  |  |                   | Purchase (Sale)     | Amount    | Percentage of total purchase (sale) |                                 | Payment terms                       | Unit price | Payment terms |   |         |
| Tai-Tech Advanced Electronics Co., Ltd.          | TAIPAQ Electronic Components (Si-Hong) Co., Ltd. | Parent-subsidiary | Sales               | (125,091) | 15%                                 | Note 1                          | Note 1                              | -          | -             | 217,616   | 19%     |
| TAIPAQ Electronic Components (Si-Hong) Co., Ltd. | Tai-Tech Advanced Electronics Co., Ltd.          | Parent-subsidiary | Sales               | (441,315) | 52%                                 | Note 1                          | Note 1                              | -          | -             | 584,168   | 43%     |

Note 1: Transaction price adopts the general rules for the payment receipt period agreed by both parties.

Note 2: Transaction price and the payment receipt period adopts the general rules.

## Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

## Receivables Due from Related Party That Reach NT\$100 Million or 20% or More of Paid-in Capital

March 31, 2024

Table 5

Unit: NT\$ thousand

(unless otherwise specified)

| Company of accounts receivable recognized        | Transaction party name                           | Relationship      | Balance of accounts receivables due from related party |    |         | Turnover rate | Overdue amount of accounts receivable from related party |                  | Amounts received from related parties in subsequent period | Allowance for Impairment Loss |
|--|--|-------------------|--|----|---------|---------------|--|------------------|--|-------------------------------|
|  |  |                   | Accounts Receivable                                    | \$ | 217,616 |               | Amount   | Treatment method |  |                               |
| Tai-Tech Advanced Electronics Co., Ltd.          | TAIPAQ Electronic Components (Si-Hong) Co., Ltd. | Parent-subsidiary | Accounts Receivable                                    | \$ | 217,616 | 3.07          | \$ -   | -                | \$ 52,148  | \$ -                          |
| TAIPAQ Electronic Components (Si-Hong) Co., Ltd. | Tai-Tech Advanced Electronics Co., Ltd.          | Parent-subsidiary | Accounts Receivable                                    |    | 584,168 | 3.28          |  | -                | 113,421  | -                             |

## Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

The Business Relationship, Significant Transactions, and Significant Transaction Amount between Parent company and Subsidiaries or among Subsidiaries

January 1 to March 31, 2024

Table 6

Unit: NT\$ thousand

(unless otherwise specified)

| No. (Note 1) | Name of transaction party                          | Transaction party                                  | Relationship with transaction party (Note 2) | Transaction details |         |  | Transaction terms | Percentage of consolidated total revenue or total assets |
|--------------|--|--|--|---------------------|---------|--|-------------------|--|
|              |  |  |  | Item                | Amount  |  |                   |  |
| 0            | Tai-Tech Advanced Electronics Co., Ltd.            | TAIPAQ Electronic Components (Si-Hong) Co., Ltd.   | 1  | Sales revenue       | 125,091 |  | Note 3            | 11%  |
| 0            | Tai-Tech Advanced Electronics Co., Ltd.            | TAIPAQ Electronic Components (Si-Hong) Co., Ltd.   | 1  | Accounts Receivable | 217,616 |  |                   | 2%   |
| 0            | Tai-Tech Advanced Electronics Co., Ltd.            | TAIPAQ Electronic Components (Si-Hong) Co., Ltd.   | 1  | Accounts payable    | 584,168 |  |                   | 5%   |
| 0            | Tai-Tech Advanced Electronics Co., Ltd.            | TAIPAQ Electronic Components (Si-Hong) Co., Ltd.   | 1  | Purchase            | 441,315 |  | Note 3            | 38%  |
| 0            | Tai-Tech Advanced Electronics Co., Ltd.            | TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd. | 1  | Purchase            | 61,459  |  | Note 3            | 5%   |
| 0            | Tai-Tech Advanced Electronics Co., Ltd.            | TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd. | 1  | Accounts payable    | 90,506  |  |                   | 1%   |
| 1            | FIXED ROCK HOLDING LTD.                            | TAIPAQ Electronic Components (Si-Hong) Co., Ltd.   | 2  | Other receivables   | 94,311  |  |                   | 1%   |
| 2            | TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd. | TAIPAQ Electronic Components (Si-Hong) Co., Ltd.   | 2  | Accounts payable    | 41,542  |  |                   | 0%   |
| 3            | NORTH STAR INTERNATIONAL LIMITED                   | FIXED ROCK HOLDING LTD.                            | 2  | Other receivables   | 93,886  |  |                   | 1%   |

Note 1: The business dealing information between the parent company and subsidiary shall be, respectively, indicated in the numbering column and there are two types of number filling methods as follows:

- (1) Fill in "0" for the parent company
- (2) Subsidiaries are listed sequentially, starting from the Arabic number "1"

Note 2: There are two types of relationship with the transaction party as follows:

- (1) Parent company to subsidiary
- (2) Subsidiary to parent company

Note 3: Transaction price adopts the general rules for the payment receipt period agreed by both parties.

Note 4: The disclosure standard of the business relationship and important transactions between the parent and subsidiary companies for the three months ended March 31, 2024 and 2023 is NT\$30 million or more

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

Name, location, and other related Information of the investees (not including investees in Mainland China)

January 1 to March 31, 2024

Table 7

Unit: NT\$ thousand  
(unless otherwise specified)

| Name of Investor                          | Name of Investee                          | Location       | Main business                     | Initial investment amount |                  | End of term holding             |            |                 | Current profit/loss of investee | Current investment profit/loss recognized | Remarks |
|---|---|----------------|-----------------------------------|---------------------------|------------------|---------------------------------|------------|-----------------|---------------------------------|---|---------|
|   |   |                |                                   | End of current period     | End of last year | Number of shares (in thousands) | percentage | Carrying amount |                                 |   |         |
| Tai-Tech Advanced Electronics Co., Ltd.   | NORTH STAR INTERNATIONAL LIMITED          | Samoa          | Re-invested business              | 3,459                     | 3,459            | 100                             | 100%       | 94,119          | 441                             | 441                                       |         |
| Tai-Tech Advanced Electronics Co., Ltd.   | BEST BLISS INVESTMENTS LIMITED            | Cayman Islands | Re-invested business              | 1,075,284                 | 1,075,284        | 34,250                          | 100%       | 4,324,748       | 60,013                          | 63,479                                    |         |
| Tai-Tech Advanced Electronics Co., Ltd.   | TECHWORLD ELECTRONICS SINGAPORE PTE. LTD. | Singapore      | Reinvestment and trading business | 96,045                    | 96,045           | 3,000                           | 60%        | 91,929          | (145)                           | (87)                                      |         |
| Tai-Tech Advanced Electronics Co., Ltd.   | APAQ Technology Co., Ltd.                 | Taiwan         | Electronic components             | 1,450,000                 | 1,450,000        | 25,000                          | 28.10 %    | 1,524,208       | 140,064                         | 20,439                                    | Note 1  |
| Tai-Tech Advanced Electronics Co., Ltd.   | JDX Technology Co., Ltd.                  | Taiwan         | Electronic components             | 8,000                     | 8,000            | 800                             | 26.67 %    | 6,819           | (1,640)                         | (437)                                     | Note 2  |
| BEST BLISS INVESTMENTS LIMITED            | FIXED ROCK HOLDING LTD.                   | Seychelles     | Re-invested business              | 890,624                   | 890,624          | 26,450                          | 100%       | 2,446,935       | 33,292                          | 33,292                                    |         |
| TECHWORLD ELECTRONICS SINGAPORE PTE. LTD. | TECHWORLD ELECTRONICS (M) SDN. BHD.       | Malaysia       | Electronic components             | 114,657                   | 19,632           | 18,000                          | 100%       | 114,282         | (141)                           | (141)                                     |         |

Note 1: Based on the review reports issued by other CPAs during the same period.

Note 2: Not reviewed.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries  
Information on Investments in Mainland China - Basic Information  
January 1 to March 31, 2024

Table 8

Unit: NT\$ thousand  
(unless otherwise specified)

| Name of investee in Mainland China                 | Main business   | Paid-in capital  | Investment method  | Accumulated outward remittance for investment from Taiwan at beginning of the current period | Outward remittance or repatriation for investment |              | Cumulative outward remittance of the investment amount from Taiwan in the period end (Note 8) | Current profit/loss of investee | Ownership percentage of direct or indirect investment | Current Investment profit/loss recognized (Note 4) | Carrying amount at end of the period (Note 4) | Accumulated repatriation of investment income as of end of the current period | Remarks |
|--|---|--|--|--|---|--------------|---|---------------------------------|---|--|---|---|---------|
|  |   |  |  |  | Outward remittance                                | Repatriation |   |                                 |   |  |   |   |         |
| TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd. | Production, processing and sale of electronic components  | 384,904  | Investment in Mainland China companies through a company invested and established in a third region (Note 1) | \$ 352,249   | \$ -  | \$ -         | \$ 352,249  | \$ 13,858                       | 100%  | \$ 13,858  | \$ 693,206                                    | \$ -  | -       |
| TAIPAQ Electronic Components (Si-Hong) Co., Ltd.   | Production, processing and sale of electronic components  | 1,343,832  | Investment in Mainland China companies through a company invested and established in a third region (Note 2) | 600,232  | -   | -            | 600,232   | 45,250                          | 100%  | 45,250   | 3,265,825                                     | -   | -       |
| TAI-TECH Advanced Electronics (Shenzhen) Co., Ltd. | Sales of electronic components  | -  | Investment through companies in mainland China (Note 3)  | -  | -   | -            | -   | -                               | -   | -  | -   | -   | Note 3  |
| Provider   | Accumulated amount of remittance from Taiwan to Mainland China at the end of the period (Notes 5, 6, and 9) | Amount of investment approved by the Investment Commission, MOEA (Notes 7 and 9) | Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA                            |  |   |              |   |                                 |   |  |   |   |         |
| Tai-Tech Advanced Electronics Co., Ltd.            | 1,412,662   | 1,418,976  | 4,036,646  |  |   |              |   |                                 |   |  |   |   |         |

Note 1: 100% invested by Best Bliss Investments Limited 100%.

Note 2: Best Bliss Investments Limited and Fixed Rock Holding Ltd. hold 26.60% and 73.40%, respectively.

Note 3: The company is 100% invested by TAIPAQ Electronic Components (Si-Hong) Co., Ltd, but there was no capital injection as of March 31, 2024.

Note 4: The financial statements audited by CPA retained by the parent company in Taiwan.

Note 5: The Company liquidated TAI-TECH Advanced Electronics (Dongguan) in 2015 and the accumulated investment loss amount is US\$1,513 thousand.

Note 6: NTD is calculated based on the historical exchange rate.

Note 7: NTD is calculated based on rate of the balance sheet date

Note 8: The amount invested with a third place's self-owned funds is not included.

Note 9: At the end of the period, the accumulated investment amount remitted from Taiwan to mainland China was US\$44,343 thousand, and the investment amount approved by the Investment Commission, MOEA, was US\$44,343 thousand.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries  
 Major Shareholder Information  
 March 31, 2024

Table 9

| <u>Major shareholders</u>  | <u>Number of shares held</u> | <u>Shares</u>                   |
|--|------------------------------|---------------------------------|
|  |                              | <u>Shareholdings Percentage</u> |
| Superworld Holdings (S) Pte. Ltd. investment account under custody of First Commercial Bank Investment | 10,207,649                   | 10.00%                          |
| Hengyang Investment Co., Ltd.  | 6,540,995                    | 6.41%                           |
| Northwest Investment Co., Ltd.   | 6,121,718                    | 5.99%                           |

Description: The Company obtains the information of this table from the Taiwan Depository and Clearing Corporation:

- (1) This table is based on the information provided by the Taiwan Depository and Clearing Corporation for shareholders holding greater than 5% of the shares completed the process of registration and book-entry delivery in dematerialized form (including treasury stocks) of the Company at the last business date of each quarter. There may be a discrepancy in the number of shares recorded on the Company's financial statements and its dematerialized securities arising from the difference in basis of preparation.
- (2) For the table above, the shareholder who delivers the shares to the trust is disclosed by the individual trustee who opened the trust account. In accordance with the Security Exchange Act, the shareholders have to disclose the insider equity more than 10% of the shares, including their own shares and their delivery to the trust and have the right to make decisions on the trust property. Information on insider equity is available on the Market Observation Post System (MOPS) website. Information on equity is available on the MOPS of TWSE website.